

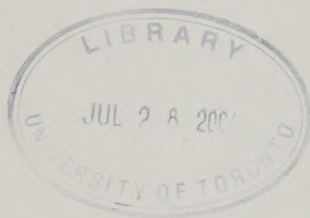
CANADIAN UNITY: GENERAL

101 A Challenge

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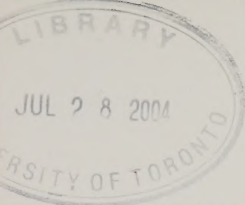
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A CHALLENGE

AN ASSORTMENT OF STATEMENTS ON THE QUESTION OF CANADIAN UNITY AND ON THE CHALLENGE TO BE FACED IN CREATING A HARMONIOUS SOCIETY RESPECTING THE ASPIRATIONS OF ALL CANADIANS.

INTRODUCTION

Through the diversity of the opinions of the authors, the statements in this kit will give you some general impressions on the question of Canadian unity. The documents, whether they are on a general, philosophical or critical level, will help you see how a number of different audiences view this issue.

The challenge of creating a harmonious society, one which respects the rights of all its citizens, is explored in this kit. The documents trace how the vision of Canadian unity developed historically, and how it is seen to need consolidation and refinement in the years to come.

SELECTED DOCUMENTS

1. ✓ **Remarks by Pierre E. Trudeau**, Prime Minister, to a Joint Session of the United States Congress, Washington, 22 February 1977.
2. ✓ **Debate on National Unity**, P.E. Trudeau, J. Clark and E. Broadbent, House of Commons Debates, 5 July 1977.
3. ✓ **Federalism or an Association of Independent States**, address given by Maurice Lamontagne at the University of Montreal under the auspices of the Canadian Studies Foundation, 6 April 1977.
4. ✓ **A Challenge to the Spirit of Canadians**, notes for an address to the Convocation, Dalhousie University, by Gordon Robertson, Secretary to the Cabinet for Federal-Provincial Relations, 12 May 1977.
5. ✓ **Remarks by R.W. Baguley**, Senior Economist, The Royal Bank of Canada, before the Atlantic Provinces Chamber of Commerce, Charlottetown, Prince Edward Island, 6 June 1977.
6. ✓ **Quebec and Canada: A Union Worth Preserving**, address given by Marc Lalonde, Minister of State for Federal-Provincial Relations, to the Société Saint-Jean-Baptiste of Quebec, Quebec City, 29 October 1977.

SUGGESTED READINGS

1. **A National Understanding**, Secretary of State, Ottawa, 21 June 1977.
- *2. **A Sense of Unity**, an address by A.W. Johnson, President of the CBC, to the Kiwanis Club of Ottawa, 18 February 1977.

- *3. **Canadian Unity: Where Do We Go From Here?**, keynote address by Senator Ernest C. Manning, to the Canadian Chamber of Commerce, Edmonton, 18 September 1977.
4. **Confederation and our National Will**, notes for an address by Alexander B. Campbell, Premier of Prince Edward Island, to the Atlantic Provinces Chamber of Commerce, Charlottetown, 7 June 1977.
5. **Le Partage du pouvoir**, notes for an address by Marc Lalonde, Minister of State for Federal-Provincial Relations, to the Canadian Institute on Public Affairs, Toronto, 4 March 1977.
- *6. **Multiculturalism and Canadian Unity**, speech by Dr. Donald Gyalay and Dr. George Korey, Ontario Advisory Council on Multiculturalism, presented to the Canadian Society for the Comparative Study of Civilizations, Fredericton, June 1977.
7. **Notes for an address by William G. Davis**, Premier of Ontario, to the Montreal Canadian Club, Montreal, 21 March 1977.
- *8. **Notes for a speech by Jean-Luc Pepin**, Co-chairman of the Task Force On Canadian Unity, to the Men's Canadian Club, Ottawa, 13 September 1977.
- *9. **Speech by Richard B. Hatfield**, Premier of New Brunswick, to the Sherbrooke Rotary Club, Sherbrooke, 13 September 1977.
- *10. **Speech by A. Blakeney**, Premier of Saskatchewan, to the Montreal Canadian Club, Montreal, 4 April 1977.
- *11. **Transcript of a speech by Pierre E. Trudeau**, Prime Minister, to the Quebec Chamber of Commerce, Quebec City, 28 January 1977.
12. **The Establishment Under Pressure: Can It Hold?**, speech by Peter C. Newman, Editor, Macleans Magazine, to the Canadian Club, Toronto, 25 April 1977.
- *13. **What Do Canadians Want?**, speech by Ramsay Cook, York University, Toronto, 27 June 1977.

* Available upon request from the Canadian Unity Information Office.

The documents contained in this kit are taken from various sources and do not necessarily reflect the Government of Canada's point of view.

On peut obtenir la version française de ce texte en s'adressant au Centre d'information sur l'unité canadienne.

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Please note the following additions to Documentation Kit #101 - A Challenge:

SELECTED DOCUMENTS

Add:

- * 7. Stanfield, Robert L., "Nationalism: A Canadian Dilemma?" First Lecture, Mount Allison University, Sackville, N.B., 7 February, 1978.
- * 8. Roberts, John, Notes for an address to the Annual Meeting of the Canadian Club, Toronto, 24 April 1978.

* ATTACHED

July 1978





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REMARKS BY THE PRIME MINISTER TO A JOINT SESSION OF THE UNITED STATES CONGRESS

Remarks by the Prime Minister to a Joint Session of the United States Congress
Address by the RIGHT HONOURABLE PIERRE ELLIOTT TRUDEAU
To the Joint Session of the United States Congress
Washington D.C., February 22, 1977

Mr. Speaker, Mr. President, Members of the Congress:

For much more than a century, individual Canadians, in countless ways and on countless occasions, have expressed to Americans their friendship. Today, as Prime Minister I am given the opportunity to express those feelings collectively before the elected representatives of the American people.

I do so with pride, and with conviction.

I speak to you as a fellow Parliamentarian, honoured, as are all Canadians, by your invitation to appear in this historic chamber. Here, on the spot where so many of your distinguished leaders have stood, I express to you the most cordial of greetings. The warmth of your welcome reinforces what I have always known: that a Canadian in the United States is among friends.

The friendship between our two countries is so basic, so non-negotiable, that it has long since been regarded by others as the standard for enlightened international relations. No Canadian leader would be permitted by his electorate consciously to weaken it. Indeed, no Canadian leader would wish to, and certainly not this one.

Simply stated, our histories record that for more than a century millions upon millions of Canadians and Americans have known one another, liked one another, and trusted one another.

Canadians are not capable of living in isolation from you anymore than we are desirous of doing so. We have benefitted from your stimulus; we have profited from your vitality.

Throughout your history, you have been inspired by a remarkably large number of gifted leaders who have displayed stunning foresight, oft-times in the face of then popular sentiments. In this city which bears his name, on the anniversary of his birthday, George Washington's words bear repeating. In a message familiar to all of you in this chamber, he said: "It is of infinite moment that you should properly estimate the immense value of your national union to your collective and individual happiness".

At a moment in the history of mankind when men and women cannot escape from the knowledge that the only hope for humanity is the willingness of peoples of differing complexions and cultures and beliefs to live peaceably together, you have not forsaken Washington's high standards. You have chosen to declare your belief in the protection of minorities, in the richness of diversity, in the necessity of accommodation. You have contributed new fibre to that seamless fabric we call the history of mankind — that stumbling, incoherent quest by individuals and by nations for freedom and dignity.

Liberty and the pursuit of happiness have not been theoretical concepts for Americans, nor have they been regarded as elusive goals. You have sought each with vigour, and shared with all mankind the joy and the creativity which are the products of freedom. You have illustrated throughout your history the resiliency, the dedication and the inherent decency of American society.

The United States achievement in recent years of conducting a great social revolution — overcoming difficulties of immense complication and obduracy, and doing so through the democratic process — is surely a model for all nations devoted to the dignity of the human condition. Freedom-loving men and women everywhere are the beneficiaries of your example. Not the least among them are Canadians, for whom the United States has long been the single most important external influence — the weather only excepted.

We in Canada, facing internal tensions with roots extending back to the 17th century, have much to gain from the wisdom and discipline and patience which you, in this country, in this generation, have brought to bear to reduce racial tensions, to broaden legal rights, to provide opportunity to all.

Canadians long ago determined to govern themselves by a parliamentary system which favours the flowering of basic aspirations — for freedom, for justice, for individual dignity. The rule of law, sovereignty of parliament, a broad sharing of power with the provinces, and official support of the pluralistic nature of Canadian society have combined to create in Canada a community where freedom thrives to an extent not exceeded anywhere else, a community where equality of opportunity between people and between regions is a constant goal.

The success of our efforts in the first century following confederation was promising, but by no means complete. We created a society of individual liberty and of respect for human rights. We produced an economic standard of living which approaches your own. We have not, however, created the conditions in which French-speaking Canadians have felt they were fully equal or could fully develop the richness of the culture they had inherited. And therein is the source of our central problem today. That is why a minority of the people of Quebec feel they should leave Canada and strike out in a country of their own. The newly elected government of that province asserts a policy that reflects that minority view despite the fact that during the election campaign it sought a mandate for good government, and not a mandate for separation from Canada.

The accommodation of two vigorous language groups has been, in varying fashion, the policy of every Canadian government since Confederation. The reason is clear. Within Quebec, over 80 per cent of the population speak French as their first or only language. In Canada as a whole, nearly one-fifth of the people speak no language but French. Thus from generation to generation there has been handed down the belief that a country could be built in freedom and equality with two languages and with a multitude of cultures.

I am confident it can be done. I say to you with all the certainty I can command that Canada's unity will not be fractured. Accommodations will be made; revisions will take place. We shall succeed.

There will have to be changes in some of our attitudes; there will have to be a greater comprehension of one another across the barrier of language difference. Both English-speaking and French-speaking Canadians will have to become more aware of the richness that diversity brings and less irritated by the problems it presents. We may have to revise some aspects of our constitution so that the Canadian federation can be seen by six and a half million French-speaking Canadians to be the strongest bulwark against submersion by 220 million English-speaking North Americans.

These very figures illustrate dramatically the sense of insecurity of French Canada. But separation would not alter the arithmetic; it would merely increase the exposure.

Nor would the separation of Quebec contribute in any fashion to the confidence of the many cultural minorities of diverse origin who dwell throughout Canada. These communities have been encouraged for decades to retain their own identities and to preserve their own cultures. They have done so and flourished, nowhere more spectacularly than in the prairie provinces of Alberta, Saskatchewan and Manitoba. The sudden departure of Quebec would signify the tragic failure of our pluralist dream, the fracturing of our cultural mosaic, and would likely remove much of the determination of Canadians to protect their cultural minorities.

Problems of this magnitude cannot be wished away. They can be solved, however, by the institutions we have created for our own governance. Those institutions belong to all Canadians, to me as a Quebecker as much as to my fellow citizens from the other provinces. And because these institutions are democratically structured, because their members are freely elected, they are capable of reflecting changes and of responding to the popular will.

I am confident that we in Canada are well along in the course of devising a society as free of prejudice and fear, as full of understanding and generosity, as respectful of individuality and beauty, as receptive to change and innovation, as exists anywhere. Our nation is the encounter of two of the most important cultures of western civilization, to which countless other strains are being added.

Most Canadians understand that the rupture of their country would be an aberrant departure from the norms they themselves have set, a crime against humanism; for I am immodest enough to suggest that a failure of this always-varied, often-illustrious Canadian social experiment would create shock waves of disbelief among those all over the world who are committed to the proposition that among man's noblest endeavours are those communities in which persons of diverse origins live, love, work and find mutual benefit.

Canadians are conscious of the effort required of them to maintain in healthy working order not only their own nation but as well the North American neighborhood in which they flourish. A wholesome relationship with our mutual friend Mexico and a robust partnership with the United States are both, in our eyes, highly desirable. To those ends we have contributed much energy. And you in this country have reciprocated to the point where our relationship forms a model admired by much of the world — one moulded from the elements of mutual respect and supported by the vigour of disciplined cooperation.

We have built together one of the world's largest and most efficient transportation and power generating systems in the form of the St. Lawrence Seaway. We have conceived and established the world's oldest, continuously functioning binational arbitral tribunal — the International Joint Commission. We have joined together in many parts of the world in defence of freedom and in the relief of want. We have created oft-times original techniques of environmental management, of emergency and disaster assistance, of air and sea traffic control, of movements of people, goods and services — the latter so successfully that the value of our trade and the volume of visitors back and forth exceeds several times over that of any other two countries in the world. It is no wonder that we are each so interested in the continued social stability and economic prosperity of the other.

Nor should we be surprised that the desire of the American and Canadian peoples to understand and help one another sometimes adopts unusual forms. In what other two countries in the world could there be reproduced the scene of tens of thousands of people in a Montreal baseball park identifying totally with one team against the other, forgetting all the while that every single player on each is American, and a similar scene in the Washington hockey arena where thousands of spectators identify totally with one team against another, forgetting that virtually every player on the ice is Canadian.

Thus do the images blur, and sometimes do they lead to chafing. Yet how civilized are the responses! How temperate are the replies! We threaten to black out your television commercials! You launch fusillades of antitrust proceedings! Such admirable substitutes for hostility!

More important than the occasional incident of disagreement is the continuing process of management which we have successfully incorporated into our relationship. It is a process which succeeds through careful attention, through consultation, and through awareness on both sides of the border that problems can arise which are attributable neither to intent nor neglect, but to the disproportionate size of our two populations and the resulting imbalance of our economic strength.

Those differences will likely always lead us in Canada to attempt to ensure that there be maintained a climate for the expression of Canadian culture. We will surely also be sensitive to the need for the domestic control of our economic environment. As well, in a country visited annually by extreme cold over its entire land mass, a country so far-flung that transportation has always posed almost insuperable problems, the wise conservation of our energy resources assumes a compelling dimension. And for a people devoted throughout their history to accommodating themselves with the harshness, as well as the beauty, of their natural surroundings, we will respond with vigour to any threat of pollution or despoliation be it from an indigenous or from an external source.

Our continent, however, is not the world. Increasingly it is evident that the same sense of neighbourhood which has served so well our North American interests must be extended to all parts of the globe and to all members of the human race. Increasingly, the welfare and human dignity of others will be the measurement of our own condition. I share with President Carter his belief that in this activity we will achieve success.

Even as we have moved away from the cold war era of political and military confrontation, however, there exists another danger: one of rigidity in our response to the current challenges of poverty, hunger, environmental degradation, and nuclear proliferation. Our ability to respond adequately to these issues will in some measure be determined by our willingness to recognize them as the new obstacles to peace. Sadly, however, our pursuit of peace in these respects has all too often been little more imaginative than was our sometimes blind grappling with absolutes in the international political sphere. Moreover, we have failed to mobilize adequately the full support of our electorates for the construction of a new world order.

The reasons are not hard to find. In these struggles there is no single tyrant, no simple ideological contest. We are engaged in a complex of issues of overwhelming proportions yet with few identifiable labels. Who, after all, feels stirred to oratorical heights at the mention of commodity price stabilization or full fuel cycle nuclear safeguards of special drawing rights? Yet these are the kind of issues that will determine the stability of tomorrow's world. They will require innovative solutions and cooperative endeavour, for these struggles are not against human beings: they are struggles with and for human beings, in a common cause of global dimensions.

It is to the United States that the world looks for leadership in these vital activities. It has been in large measure your fervour and your direction that has inspired a quarter century of far-flung accomplishment in political organization, industrial development and international trade. Without your dedicated participation, the many constructive activities now in one stage or another, in the several fields of energy, economics, trade, disarmament and development, will not flourish as they must.

My message today is not a solicitous plea for continued United States involvement. It is an enthusiastic pledge of spirited Canadian support in the pursuit of those causes in which we both believe. It is as well an encouragement to our mutual re-dedication at this important moment in our histories to a global ethic of confidence in our fellow men.

In that same address to which I referred some minutes ago, George Washington warned against "the insidious wiles of foreign influence" and the desirability of steering "clear of permanent alliances with any portion of the foreign world." Yet here I stand, a foreigner, endeavouring — whether insidiously or not you will have to judge — to urge America ever more permanently into new alliances. That I dare do so is a measure not only of the bond which links Canadians to you, but as well of the spirit of America. Thom. Paine's words of two centuries ago are as valid today as when he uttered them:

"My country is the world, and my religion is to do good."

In your continued quest of those ideals, ladies and gentlemen, I wish you Godspeed.

COMMONS DEBATES

July 5, 1977

GOVERNMENT BUSINESS

CONFEDERATION
DEBATE ON NATIONAL UNITY

Right Hon. P. E. Trudeau (Prime Minister) moved:

That members of this House dedicate themselves anew to the continuing unity of Canada as a free and independent country organized on the basis of a federal form of government with two official languages and a diversity of cultures.

He said: Mr. Speaker, whether one looks at the present world or back upon past history, one finds that the great eras of all peoples are always full of appeals to build or save the nation. We, Canadians, are now addressing ourselves to both tasks at the same time. We must build as well as preserve our country, and this twofold task, seldom seen in the life of nations, draws today public attention on the House and on this debate which I have the privilege to open.

But why such a debate, you will ask? Certainly not because we are divided on the issue of national unity. This country's unity has been the primary purpose of every Parliament, every government since Confederation. The national unity concept is not linked to any government nor any party in particular. I am confident that all hon. members will not allow anybody to question Canadian unity. However, I am aware of the fact that some members of Parliament as well as many Canadians have a feeling of frustration for not doing anything under the circumstances. They realize something is threatening their country and they wish to protect it. They want to participate,

help, do something and they are wondering: What can I do to help preserve my country's unity? Let me know and I shall do it. This is how their frustrations, their uncertainty and possibly their concerns are expressed.

Because I understand these feelings and hope to mitigate them, I shall not deal too much today with our purposes, since we basically agree on those. Instead, I shall insist on the progress achieved by Canadians and on the new measures the government is implementing so that Canadians may commit themselves even more to national unity.

• (1520)

[English]

Before looking down the roads immediately ahead, Mr. Speaker, let us briefly assess those roads which Canadians and all their governments have taken—and not taken—in the seven months past. Since November 15, Canadians have been confronted with the most dramatic choice they have had to make in their history as a nation. And in these seven months, we've come a long way toward that choice. We've made news in Canada—and much of it, Mr. Speaker, has been good news.

Good news, as those sitting in the press gallery know, is very often what doesn't happen. Like the good news that Canadians did not panic; that their governments did not become paralyzed; that the country did not, as it might have, become caught in an upward spiral of racial or regional hostility. That has been very good news indeed.

But perhaps the best news of all, is what did happen. Slowly, with understandable hesitation, millions of Canadians have come to accept the choices which we now face as an unparalleled—and perhaps even overdue—opportunity: to shape for ourselves, with our own hands, a Canada that is more truly ours, more truly itself.

My paramount goal in these past six months has been to help Canadians to define the decisions they now must make. I have told Quebecers that finally they will actually have to choose whether they want to remain, or not to remain, Canadians as well as Quebecers. And the fact this choice finally must be made, and not perpetually talked about only, is a good thing for Quebecers. And for the whole country.

But non-Quebeckers will strongly influence the decision that Quebec has to make. That is why I have been telling non-Quebeckers that they themselves face a fundamental choice as well. Fundamental—though unfortunately not as simple as marking a ballot “yes” or “no”. The choice is this: Do you, or do you not, want to live in a Canada with a French-speaking community—now of six million people—who have spoken French for nearly four centuries; who will continue to speak French; and who will continue to live as a community? Because if you do, if English-speaking Canadians accept to have a Canada—with all its solitudes and heartbreaks and misunderstandings, and yes, with all its glorious human wealth, enough to stretch to a limitless future—if you want to have such a Canada, it will have to be a Canada based on genuine acceptance of a newly dynamic, competitive and self-

assertive French-speaking community, centered on but not confined to Quebec.

To choose such a Canada does not mean that everyone will have to speak French. It does not even mean that everyone must love eating their corn flakes out of those famous bilingual cereal boxes. Quite frankly, it means something far more difficult than that. It means that English-speaking Canadians will have to open their hearts, to open their minds, in order to understand that French Canadians still do not feel treated as fully equal partners in their own country, or even in the province where they form a majority.

And it means that if the francophones are to remain part of this country as first-class citizens with a fair share of the power and a fair crack at the opportunity; but without having to give up their language and culture then this will require certain accommodations by the English-speaking majority, accommodations like sharing more power with French Canadians in business, professions and private organizations; like greater willingness on the part of provincial governments, and local communities and school boards to provide for French-speaking minorities.

And greater acceptance for language equality in federal institutions. So French as well as English-speaking Canadians can say: “This is our government. It speaks our language. And all of Canada is our country. We can grow here.”

So it has been my first priority since November 15 to tell these things to Canadians, because these are among the crucial choices they now face. Another priority as a Government since November 15 has been to make continued progress on two essential fronts. The first, as I have just indicated, is our official languages policy.

[Translation]

Thanks to the support of all parties in this House and the cooperation of federal civil servants, for some years the government of Canada has been increasingly capable of providing services to its citizens in their own language and to enable more French Canadians to work in the federal public service. The proportion of francophone civil servants has now reached 26.9 per cent, that is about the same percentage as the French-speaking population of Canada. In the administrative category, the French-speaking proportion has risen from 13.4 per cent in 1971 to 19.7 per cent now. Similar progress has also taken place in the armed forces, and the French presence has increased throughout the country, thanks to the radio and TV networks.

This evolution took place without any prejudice to the rights of English Canadians to speak and hear English spoken, to prosper and find success in life in their language. Conversely, the recognition of the two official languages in no way meant the setting up of two official cultures, one English the other French.

The men and women who built Canada belonged to different cultures, and we want to preserve this diversity. Our policy aims at promoting a strongly multicultural Canada, a Canada where everybody is a first class citizen. Why then have English

and French as the official languages? Because almost all Canadians, whatever their cultural backgrounds, speak either one of these two languages; and because nearly one Canadian out of five, approximately 18 per cent, Mr. Speaker, speaks only French.

In view of the progress accomplished in federal institutions the government thinks that from now on it is not only possible but desirable to enter into a new phase of our linguistic policy, a stage in which the emphasis will be less and less on crash language courses for civil servants and increasingly on the teaching of the two official languages to the children in schools...

Mr. Speaker, of course the implementation of the language policy has given rise to certain mistakes and certain problems, but the government wants to correct the situation. The government has just tabled a working paper on the official languages. This paper shows clearly that the equality between the two official languages of Canada is not the responsibility of the public service alone, or even of the federal government alone. Moreover, the language issue is not restricted to Quebec and a few square miles more on this side of the Ottawa River. The language issue, as I believe that an increasing number of Canadians have come to realize in the last few years, is national in scope. Since the election of a separatist government in Quebec, it has become more obvious that the manner in which we will solve the language problem will have far-reaching consequences for all Canadians and the future of our children.

Our paper shows clearly that the provinces will have an important role to play in solving language problems, because under our federal system, they have many responsibilities in this area, especially as concerns education. But, in the long run, it will be the Canadian citizen and his attitude towards the linguistic equality of his fellow citizens that will be the decisive factor.

• (1530)

[English]

Today I wish only to call the House's attention to what the policy paper says about one subject, about Canada's official language minorities, that is, the one million or so French-speaking Canadians living in the nine provinces with anglophone majorities and the somewhat smaller number of English-speaking Canadians living in Quebec.

Why do I single out our official language minorities today? Quite simply, Mr. Speaker, because there are two roads to separation in this country—two dangers we must avoid if we want to preserve the unity of Canada. The first danger would result if a clear majority of Quebeckers were to become so dissatisfied with their present lot and future prospects as Canadians that they freely voted by a clear majority to separate. But, there is a second way which is perhaps more dangerous and certainly more insidious, that separation could occur over a longer period of time perhaps, but with equal

languages, but also by how well it meets his other concerns as a worker, a farmer or a businessman.

[Translation]

Therefore, the second front on which it is imperative to act is to ensure that the federal system better meets the needs of the average Canadian, whether he lives in Quebec or any other part of this country. The unity of this country will be improved when every Canadian, no matter where he lives or what his language is, will be able to say: "Those people in Parliament are working for me, they are looking after my problems. They are preparing a better future for my children here in Canada in this united country that is mine."

And that is why, Mr. Speaker, I believe that the best service a member of Parliament can do his country is to ensure that his constituents realize that that hon. member is truly vital to their development, their fulfillment, so that the citizens in every part of this country will be able to recognize through their federal member of Parliament that they are effectively being run by the government of Canada, that their government is not only the provincial government which is a provincial level government but that their government is first and above all the government of Canada, the government of this country.

Mr. Speaker, may I be permitted quite modestly to congratulate the members of this House who for the most part play this role with great courage in a vast country and who because of their very heavy program in Ottawa cannot be in every area and every constituency as much as they would want to.

• (1540)

[English]

I might add, Mr. Speaker, that over the months I have written to the provincial premiers to seek from them an understanding whereby the taxpayers of Canada would be in a position to know which government was spending their money. Thus they could democratically decide whether the spending was well or not well done. To this effect, I am seeking agreements between the federal government and every provincial government in order to give sufficient knowledge to the citizen, through publicity and other means, so that he would know where the money is coming from, either from the federal government or elsewhere.

We have already signed such an agreement with the province of Manitoba; and I hope that other provincial governments who are anxious to work and build for the unity of Canada will also be anxious to make sure that in this way the federal presence, the reality of the federal parliament, be made known in every part of Canada.

[Translation]

Mr. Speaker, I just pointed out how important it is for the unity of this country to look properly after the business of this

[Mr. Trudeau.]

finality. That is the separation by attrition which would eventually result if we were to drift progressively into a Canada composed of two linguistically distinct territories: a Quebec, speaking only French; and the rest of Canada, speaking only English. To some that might superficially seem a functional, friction-free solution to our language problems, but it would not be a solution at all. It would weaken Canada; it would give us less and less in common; it would one day break us apart. A Canada of two language ghettos existing side by side is not acceptable to this government nor, I believe, to this House.

The federal government believes that the 1971 Victoria Charter proposals for language guarantees in provincial legislatures, provincial courts and provincial government head offices would provide a good departure point for building a sound constitutional base for minority rights. The federal government is also ready to discuss with the provinces ways in which it can assist them to provide more education in the minority official language. We are willing to consider ways and means, up to and including new constitutional provisions, to enable the federal government to assume direct constitutional responsibility for education of official language minority groups.

To be sure, I agree wholeheartedly with the proposition that the level of rights the nine other provinces accord their linguistic minorities should more closely resemble the level of rights Quebec has traditionally accorded its official language minority. But, I say this should be accomplished by building up French in the other provinces and not by knocking down English in Quebec.

Mr. Speaker, I cannot emphasize strongly enough that the question of unity is not confined to the issue of language, nor confined geographically to the province of Quebec. I said earlier that more linguistic equality for French-speaking Canadians will require certain accommodations by English-speaking Canadians. But, why should English-speaking Canadians make such accommodations? Frankly, they will do so only if they feel that confederation is worth it to them and only if they feel that they too are benefitting from the federal system and that it is meeting their aspirations.

In the case of most English-speaking Canadians, this feeling has less to do with language programs than with how successfully we fight inflation and high unemployment; with the quality of our social programs, with transportation and resource development and with many other policies. The Atlantic region must feel we are making progress in overcoming stubborn regional economic disparities; that we are helping to develop to the fullest offshore resources; and assisting to control the inequities of high energy costs. The westerner must have, and feel he has, a greater voice in national decision-making and a greater role in national power-sharing; must feel that our transportation system will take better account of the need for an equitable freight rate structure and efficient movement of agricultural commodities; and that our international trade negotiators are making every reasonable effort to favor more processed exports. For that matter, the Quebecker will judge his federal government not only by whether it speaks two

country. But it does not mean that I am for the status quo—far from it. As I stated unequivocally on several occasions, the government of Canada is committed to considering together with the people of Canada the possibility of bringing in basic in-depth changes to its directions, to federal institutions and to the constitution. It is to this matter of utmost importance that I now come.

We Canadians have reached our maturity as North American people. We do not alter our institutions or our constitution under the whim of the moment, as the Parisian designer who is eager to launch his new spring collection. We must get used to the idea that we have launched into a venture which will not end in a few weeks or months. The main reason is that no change, no redistribution of powers between the federal government and the provinces, nor any other step could reinforce national unity, unless those changes really derive from understanding and brotherhood.

This is why, though specific proposals for institutional changes will be effective at a given moment, my first concern since November 15 has been to help Canadians reconsider their behaviour, analyze their feelings and face the decisions and the direction that will soon have to be taken with openness and generosity but also with deeply felt honesty. Indeed I have been able to see that it is exactly what some Canadians have already begun to do.

[English]

Since November 15 millions of Canadians, English and French speaking, easterners and westerners, people from southern Canada and from northern Canada, have not only been awakening to the realities of Canada; what is even better, they have embraced the present situation not as a defeat for Canada but as a great challenge, a great opportunity for building a better Canada, not only for Quebecers but for all of us.

To those who are impatient, I say this is a great deal of progress for the country to have made in seven months. To those who are uncertain or worried, I would report that I have heard more constructive, stimulating thinking about Canada by ordinary Canadians in these past seven months than in all the rest of my life. So in a sense, Mr. Speaker, we are coming at last face to face with our national summons, the task of nation building and nation saving.

Because Canadians are accepting this challenge, I believe that we can now begin to enter a new phase of discussion, of choice, a new phase in the examination of fundamental change in our Canadian system of federalism. This fact was underlined by our recent appointment of the former deputy minister of justice as the government's special constitutional adviser. We have already begun a far-reaching review of our federal system and constitution. We will, of course, also pay close attention to the views of the provincial premiers. As my letter to them last January said, we are quite willing to discuss with the premiers the whole gamut of Canada's constitutional arrangements. We are willing to discuss, in other words, the most profound reforms and fundamental changes in any and all aspects of our federal system from A to Z.

In fact, there is only one set of formulae which we are not willing to discuss—those which commence from the premise that Canada is or could be anything other than a unified country.

During the crucial months ahead we will need wide input, wide involvement, by the people of Canada. The debate on fundamental change must not be confined to closed rooms, or to privileged elites, whether of politicians or bureaucrats, or of academics or intellectuals, though all these people have much to contribute. The government wishes to enable individual Canadians and their non-governmental organizations to play a more informed role in the national re-examination of the federal system, as well as to participate more effectively in other activities favouring the enhancement of Canadian unity.

[Translation]

In the last few months, and I am very proud to say so, the groups and individuals who have expressed their wish to do their part are so numerous that it is difficult to count them; let alone meet them. To be efficient, these private organizations sometimes need information and support services; they should also, if necessary, have the benefit of advice. On the other hand, the great majority of Canadians express their views and are being influenced by others by way of a wider and more diffuse forum than by the established structures, namely public opinion. That is why the government believes it is necessary to offer people a new way to participate, through groups of men and women who would focus attention of new ideas and different points of view while listening very carefully to what the public has to say. Thus, all Canadians, and not only a small number, would be better informed and in a position to play a more decisive role.

[English]

I have decided to entrust this work to a new national task force on Canadian unity, which will serve for an initial period of one year. The mandate of the task force will be to support, encourage and publicize the efforts of the general public, and particularly of non-governmental organizations, to enhance Canadian unity; to contribute to the knowledge and general awareness of the public its own initiatives and views concerning Canadian unity; and to help to develop processes for strengthening Canadian unity and provide a source of advice to the government on unity issues.

I am delighted to announce that the Honourable Jean-Luc Pepin, whom the House will presently recognize sitting in Your Honour's gallery—

—and the Honourable John Roberts—

—have agreed to serve as co-chairmen of the task force on Canadian unity. Mr. Pepin and Mr. Roberts have already given so much to their country. Both of them have just completed important public tasks, Mr. Pepin at the Anti-Inflation Board, Mr. Roberts in his study of metro government in Toronto. The fact that they have agreed to head the task force on Canadian unity so soon afterwards is a testimony to their dedication to public affairs and to their country.

I am glad to see that the whole House joins me in paying tribute to their dedication. I am also delighted that four other distinguished Canadians will serve as regional members of the task force—Mr. Richard Cachin of St. John's, Newfoundland—

—Dr. John Evans of Toronto—

Mrs. Muriel Kovitz of Calgary—

—and Mayor Ross Marks of Hundred Mile

House, B.C.

I want to add that a fifth regional member, a French speaking Quebecker, will be added to this list very soon.

I will be happy to have any suggestions made the the leader of the NDP, but he would have to be quick because we expect to name this person very soon.

Mr. Speaker, I appreciate the privilege of opening this debate. I should add that I will have to leave tomorrow before it is concluded to meet Chancellor Schmidt of Germany who is arriving in Canada through Vancouver. I apologize to hon. members for not being here to hear every one of them speak in this debate—

—but members will understand that the debate was postponed from last week to this week for the convenience of some members of the House.

I will read *Hansard*, as the hon. member for Hamilton West (Mr. Alexander) knows I do with passion and regularity.

It is a debate in which we above all wish to hear the ideas, and perhaps the visions, which inspire private members of the House on both sides. For this reason—and also because of my own views about Canada's unity are familiar to the House—I thought it would be appropriate if instead of "orating" I gave the House a report on the priorities which the government has followed since November 15, as well as the new means it is providing to enhance the national debate Canadians will carry on in the months ahead.

But let us make no mistake about it, Mr. Speaker. In this House and in every province in this country we are fighting to preserve a great and precious country. The most effective weapon we have is understanding. Debates, task forces, language programs, constitutional proposals—all these will be to little avail unless we have the ability to summon understanding and generosity towards each other's aspirations, as individuals, as members of cultural and regional communities—and as Canadians.

That is the message I have sought to carry these past six months. That is the message which hon. members must carry this summer at every opportunity and to every part of the country, to all our constituencies, to the service clubs, to church halls and legion halls, to the farms, factories and street corners, the message that Canada will not be fractured, the message that we will preserve the unity of this nation.

I know that the task for Canada will not be easy, but was it easy for the Canadians who settled a sometimes harsh land? Was it easy for the Fathers of Confederation or for the early explorers who penetrated to all corners of this unknown continent? No, the task of creating and recreating Canada has never been easy. But now the task is ours, and the task shall be accomplished.

After all, the odds were much greater against those earlier Canadians who built from scratch this unexpected and even unlikely nation, a nation which, politically, socially and economically, is now one of the freest and most advanced in the world.

Where they built with their hands and their heads, conquering nature, devising vast transportation systems, we must now build with our hearts. We must now decide how we want to live together and better govern ourselves so that our children may live in a Canada which is truly united and truly itself.

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I want to say first of all to the Prime Minister (Mr. Trudeau), in light of his very glowing references to the role and the importance of individual members of parliament and the job we have to do that, if I might presume to speak on behalf of the other refurbished "nobodies" in the House of Commons, we appreciate his new recognition of our status and our role—

—and we intend to give him and his colleagues an opportunity to put their faith in parliament to work a little later.

Naturally, I welcome this debate which my colleagues and I have sought for a long time. The Prime Minister spoke about good news and bad news, and clearly one of the pieces of bad news is that this debate in the only forum which can serve to unite this country has been so long in coming.

I am pleased that we have been able to get a little more time. But still the debate is too brief, the resolution is too limited and the scheduling of this debate, on a summer day after we were supposed to have risen, is far too late in terms of the importance of the subject which we are discussing today. I want to say to the Prime Minister that this should have been the first place to which he came to discuss national unity, not somewhere else. I suggest to him that more Canadians would read *Hansard* with "passion" if there was an opportunity for this House to become engaged, at a critical time, in debates of urgent importance to the country and not be cast off as a group of nobodies.

● (1600)

This parliament must play a continuing, creative role in helping work out the problems which face the country. I shall be proposing an amendment at the end of my remarks to allow parliament to play precisely that role in advancing and maintaining the unity of the country.

The Prime Minister's speech was too limited by his preoccupation with language policy as a means to resolve the basic problems facing this country. I heard the Prime Minister speak about the importance of other issues, as I have heard him speak before and as I have seen in his recent writings. But the fact remains that language policy has been the preoccupation of this Prime Minister and of this government too exclusively. This has created some of the serious problems which exist in this country, because we have failed to assign the same priority to questions such as regional disparity and western alienation as we have assigned to the Prime Minister's particular approach to language policy.

COMMONS DEBATES

July 5, 1977

GOVERNMENT BUSINESS

CONFEDERATION

DEBATE ON NATIONAL UNITY

Most serious of all is the fact that this debate comes too late and this sign of some action by the Prime Minister comes too late. The election, in the province of Quebec, of a Parti québécois government was nearly eight months ago, and today is the first time the government has brought this question to the House of Commons. As the Prime Minister said, he has taken other actions. He has established a secretariat. There have been some television spectaculars. On the lawns of Parliament Hill the other day there was a \$3.5 million birthday party.

The question is not whether the whip of the government party had fun; the question is whether that event helped to unify Canadians and whether it will have any lasting effect. By way of action there has also been a statement by the government on language rights, a statement which, depending on whom we listen to and when we hear him, might be federal policy or might not be federal policy. The statement was one upon which, in any event, only the provinces can act. Only the provinces can implement some of the measures suggested in that statement.

My colleagues and I applauded the Prime Minister when he said that the better way to deal with the question of minority language rights in the country is to build up the rights of French-speaking Canadians in other parts of Canada, rather than break down the rights of English-speaking Canadians in the province of Quebec. We agree with that, but we think it probably would have been of more comfort to those Canadians who are most acutely concerned now about their status—the English language minority in the province of Quebec—if the Prime Minister had given at least the minimum guarantee that I have given and that others have given, that if there is a violation by any legislation in the province of Quebec of the constitutional rights of the English language minority, that question will go to the courts of the land.

Now we have a blue-ribbon inquiry—a task force. I want to take this opportunity publicly and early not simply to express my appreciation to the distinguished Canadians who have agreed to serve on this task force, but also to wish them well in the efforts they are undertaking. What concerns me is not the personnel of this task force, but the idea that a new means was necessary when a traditional means exists and is underused, to wit, the parliament of Canada. The Canadians appointed to this task force are distinguished. They have had excellent careers in the public service at various levels in Canada, but with the exception of the mayor of Hundred Mile House none of them is an elected person. They are given a mandate to report, not to this parliament but only to the government of Canada, which can hide, doctor or do nothing at all with the recommendations they bring in.

The terms of reference which have been accorded them are terms of reference which we will want to examine in some detail to ensure that this task force is allowed the largest amplitude to study all of the questions which pertain to national unity, and not simply those questions which the Prime Minister, during his career in this House and before, has felt have been at the centre of national unity.

During the past eight months of relative inactivity by the Prime Minister of Canada, it is important to note that the premier of Quebec, Mr. René Lévesque, has not been at all so reticent. Nor, in all modesty, have I or have the leaders of other parties in the House of Commons been reticent in terms of putting forward some of the specific changes we think must be contemplated in developing a new and viable federalism. However, we are only opposition parties. We are only members of an unconsulted parliament. We have the opportunity to propose, but we do not have the opportunity to act. Only governments have the power to act, and some governments have acted. The government of the province of New Brunswick, three days ago, proclaimed the last sections of an official languages act for that province.

The government of the province of Ontario, with the co-operation of all the parties in the provincial legislature, has accepted its moral obligation to the French-speaking citizens of Essex county and it has begun, in an effective way, a public discussion of some of the problems we are facing. The province of Quebec has certainly been acting. It has been acting with Bill No. 1 which is not the subject of hearings and is going before a committee. The government of Quebec has been acting with Bill No. 2 which will affect the conduct of the referendum when it comes. Most importantly, it has been acting with a relentless campaign of propaganda designed to shift the burden of proof to the federalists from the separatists, where the burden of proof belongs in this case.

Putting aside all the television spectaculars, the fact remains that in the months since the November 15 election the Prime Minister of Canada has failed to exercise the leadership that is his.

He has failed to call upon parliament to help him, although we want to help him and although we can.

I assume that the hon. member for Sherbrooke (Mr. Pelletier) has enough influence in his caucus to be able to get on the speakers' list for this debate, and I look forward to hearing him. The Prime Minister has failed to call upon the premiers of the provinces of Canada to help him, although they want to help him and although they could help him in this present crisis.

I make it clear to the House that had that responsibility been mine and had I been prime minister of Canada during those days, one of my first acts would have been to seek the advice of parliament and then call together the premiers of Canada, the partners in this federal system of ours. If the premier of Quebec had not come to the first meeting, I am sure that after we made progress in that first meeting he would either have come to the subsequent meetings or suffered the consequences of abstention—the consequences that would be visited upon him by the electorate in the province of Quebec.

The sad fact is that the Prime Minister of Canada has not taken initiatives on behalf of Canada in this debate. Instead, he made one speech in Quebec City proposing to start from scratch; then under questioning he refused to say exactly what "scratch" was. Later, in March of this year, he said to the government of Quebec:

[Translation]

"Your turn, gentlemen!"

[English]

He invited the separatist government to take the initiative in redefining confederation. Mr. Speaker, they are doing that with a vengeance. They are doing that whilst this government sets up task forces. I can think of nothing more absurd than to ask a government that wants to divide this country to set the ground rules for uniting this country. If the Prime Minister had called in the premiers, or if he had consulted parliament, he would know that the problems of Canada are much broader than language, much broader than discontent in the province of Quebec. Any comprehensive program to create a sense of community in this country must look to other real problems as well.

First, we have to look to the problems of the economy because we are living now in an economy and a country that is operating very far below its potential. As well as creating unemployment, including unemployment in the constituency of the loud-voiced member from New Brunswick opposite—

As well as creating unemployment, this economic slowdown has created serious discontent amongst people in Canada, some of whom voted against the federal system on November 15. There is no question at all that a weak economy stimulates division, and there is no question, by contrast, that a strong economy can let us build together toward common goals. If we are seriously concerned about uniting this country, that fact has to be a priority of any government of Canada.

The second fact is that there are serious regional disparities in this country which remain unresolved after a decade of government by the party opposite. In Atlantic Canada, despite the existence of DREE, the economy continues to lag because Atlantic development has been given none of the priority that

[Mr. Clark]

language development has been given in this country. The Department of Regional Economic Expansion is now a second fiddle ministry overruled by stronger departments.

The best recent example of this is the shocking announcement made by the Minister of Supply and Services (Mr. Goyer) that in 1976-77 the two major categories of government purchasing by the government of Canada—the purchasing for science and engineering and the purchasing for commercial supply—saw a marked decrease. In the case of commercial supply, purchases made from Atlantic Canada were cut in half. On the one hand, this government, dedicated through a department to regional economic expansion, was working through a stronger department to take away the economic means which would make that expansion possible.

In Western Canada there is a sense of grievance which grows over the fact that so little priority has been given to changes in freight rates, tariff policy and industrial development which could let that region realize its potential. The Prime Minister talks about those things now, as he talked about them when he was in trouble in the election period and at the WEOC conference. It has all been talk, however. The priority has not been given to the development of western Canada that has been given by this government to pushing their own particular language policy.

The point I want to make is that these grievances, these problems, are as real and as much a potential source of disunity as are the concerns in Quebec about the security of the Quebecois culture. Regrettably, through nearly a decade in office this government has virtually ignored these other priorities and has created in most of the country a sense that the government will not respond to their real problems.

The motion before the House reads as follows:

That members of this House dedicate themselves anew to the continuing unity of Canada as a free and independent country organized on the basis of a federal form of government with two official languages and a diversity of cultures.

This is the third time in eight years that the present government has asked parliament to reaffirm the linguistic and cultural diversity that is a fact of life in our country. I have no objection to that in itself. But a statement about languages and cultures, or a statement about "a federal form of government" is completely inadequate to define what Canada is and what Canada means to our people. Implicit in the resolution and in the basic approach of this government for the past nine years is the concept that language and language policy will unify Canadians. In that respect the Prime Minister could not be more wrong.

In recent weeks we have had a spate of television advertisements celebrating our sense of Expo, our sense of centennial. We can all remember that atmosphere. There was a spontaneous enthusiasm about our future which was far removed from the forced gaiety which marked our approach to our one hundred and tenth birthday. We have fallen a long way back since 1967. We are, as a nation, much less united now than when this government came to office on a promise of unity. If we are serious about bringing the country together and establishing real harmony which lasts longer than a birthday party

we must examine exactly what went wrong. To use the Prime Minister's words, we must "open our minds".

Perhaps there are members on the other side who can open their minds and their mouths at the same time, Mr. Speaker, but I would feel more confident that my message was getting through if they would allow me to express it. My message, and I say this in utmost seriousness, is this: We must be prepared to examine and change policies and approaches which have not worked, even if that means changing attitudes which some, including the Prime Minister, have come to regard as articles of faith.

I want to deal for a moment with the question of the official languages policy of the country. It behooves all of us who want an effective policy which will contribute to the unity of the country to be frank and honest about what we face. Of course, it has never been in question that we must have institutional bilingualism as a matter of justice and fairness in Canada.

Sir, I would appreciate the opportunity of being heard by some of my colleagues opposite. Perhaps those in the Liberal caucus who are not accustomed to hearing conflicting views might show us the courtesy of listening to them.

Mr. Speaker, bilingualism, or having two languages, by definition does not unite. It divides. It is a necessary goal, but it is not the glue: bilingualism is not the glue which will hold this country together.

I say to my colleagues in the House of Commons, we must accept that fact realistically. We must recognize the importance of that policy, but we must look beyond the differences of language and culture for the values and goals which will draw us together as Canadians. We must seek to build Canadian unity, not on the basis of bilingualism or of language differences but despite bilingualism, which is an important, continuing part of the policy of this land.

Sir, let us examine this question calmly and carefully. Making our federal institutions bilingual is clearly, as anyone can see who would look, a source of serious problems in the country. The implementation of the program has in some ways been a disaster, including a disaster to good will. It has been dangerous and difficult, particularly in its effect on morale in the public service. Equally serious—and I underline this to Canadians in the House of Commons who may not have had the experience and opportunity I have had to travel extensively in provinces other than Quebec—is the fact that the many English Canadians whose inclination had been to accept this policy are now becoming disillusioned and resentful about it.

The reason is that so little progress has been made in the teaching of French as a second language and so little sensitivity shown in the development of the official languages policy in this country.

I come to the question of schools. Children go through their provincial school systems without acquiring a working knowledge of French. Their parents know this is going to be a handicap to them. French is becoming not just an asset but a necessity for those seeking opportunity to progress fully in the federal public service. At the moment, that fact, unfortunately, is seen in two-thirds of the country not as an opportunity, but as a barrier to opportunity. For the Prime Minister to go to Saskatchewan, or anywhere else in Canada, and tell his audience they do not have to worry about learning to speak French does not, in that context, accord with reality as those parents see it or as seen through the eyes of parents looking to the future of their children.

I understand, sir, that there are some members on the other side of the House who would sooner not hear this truth. But it is important that the House of Commons should be a place where truth can be spoken, no matter how unpopular it may be.

I say the Prime Minister and government should not underestimate the resentment which exists in the country on that account. The policy of institutional bilingualism, essential as it is, will collapse unless the federal government provides the help, financial and otherwise, which will enable the provinces to produce bilingual people for bilingual federal institutions. The programs so far introduced by the federal government are hopelessly inadequate, given the size of the task. If the government does not act soon to make up for lost time, offer to the provinces encouragement, opportunity to parents who want to support the program and only ask that their children should be equipped to take part in it, the divisions in this country which the language policy has created will become too deep to heal.

We must also face the fact that increased use of French outside Quebec is, in itself, no answer to the problem in Quebec. Teaching French as a second language to English-speaking children is enriching for them and irrelevant to most Quebecers. Providing education in their own language to French-speaking minorities is beyond the power of the federal government, as everybody in Quebec and elsewhere in Canada knows. At the moment, and for the foreseeable future, that problem is beyond solution by way of constitutional reform. The right of French Canadians to education in their own language may have existed once, but it was taken away by provincial legislation. It exists now in New Brunswick and there have been some changes in Ontario and Manitoba in

recent years. But to speak of the right to French-language education outside Quebec as if it now exists is, for the most part, misleading.

[Translation]

Quebecers perceive this aspect of Canadian reality under its true light and it would be very vain to try to convince them that it is otherwise. If they have doubts about the future of their language and their culture within the boundaries of their province, they do know that their National Assembly, which represents a population more than 80 per cent French-speaking, will always be much more conscious and more capable to act to preserve the French language and culture than any other legislature, including the Parliament of Canada. To admit it is to acknowledge the evidence.

For some years the federal government has made a mistake trying to compete on that level with the Quebec government. Ottawa should have recognized that the Quebec government is the most able to preserve and promote the French language within the limits of that province. It is not without reason that our constitution has given to the provinces, with special reference to Quebec, all the powers which were available and which were then considered necessary, so that they could assume their responsibilities over all cultural questions. However, as new communications and cultural means developed, Ottawa has always refused to adjust, therefore to conclude arrangements within the spirit of the constitution. In fact, Ottawa has appropriated all powers and it has constantly undermined the undeniable rights of provinces in cultural areas. This trend will have to be changed and the sooner the better.

[English]

Sir, I ask the House of Commons, is it going to wreck the country if Saskatchewan gains some say in cablevision, or if Quebec does? Is it going to wreck the country if Alberta gets into pay television, or if the governments of the provinces are able to run non-commercial television free of the regulatory shackles the federal government has put on them? Of course it is not. Yet this is what we are led to believe by the federal government and all its creatures. The central government should rid itself of the idea that it should enjoy exclusive authority over culture in any respect. The federal government must be prepared to share jurisdiction in those areas.

• (1630)

To say, as the Prime Minister does, that they should cut both ways, that the provinces should share their jurisdiction with Ottawa, is hardly relevant since Ottawa has already bought its way into every field imaginable. There is hardly a field where the provinces enjoy apparently exclusive jurisdiction which the federal government has not bought into at some time over the past few years. If we are going to have a truth in labelling provision in terms of federal expenditures, as the Prime Minister was talking about, it might be useful for that label to include a designation of those programs which the provinces were forced to accept by Ottawa at disruption of their own priorities.

[Mr. Clark]

If November 15 had never happened, I would be arguing here for a more regionally-based federalism. I advocated such an approach to our country's problems well before my election as leader of this party. The country is too big to be run entirely out of Ottawa. That is why we have a federal system, to combine a strong centre with strong parts. Precisely because they are closer to people, provincial governments are better able to respond to needs that differ in different parts of Canada. We could go through a long list indicating the truth of that statement.

What is at issue here is not just the future of one province, but the concept of our whole, large country. Of course we need a strong central government to establish economic policy and to meet other common needs. But we also need strong provincial governments, strong local governments and a strong private sector to meet needs and develop potentials that are not common across Canada. We are an uncommon country. We differ from place to place, from person to person.

The danger with national institutions is that they can become so centralized, so standardized, that they ignore or diminish the differences which give life to this country. We see that in the CBC which periodically must be wrenched back to the regional realities of Canada. We see it in the determination, until recently, to pretend that unemployment is the same problem in Alberta as it is in Newfoundland. We see it in too many other ways. What we must do is develop a situation in which it is possible for strong provincial governments to do what they do best, and possible for a strong federal government to do what it must do. It should be in that spirit that we approach the problem of redefining our constitution.

Since there is a limitation in this debate, I do not want to intrude upon the time of private members of parliament by speaking at any greater length. I want to make the point that we have a possibility within this country. It has been demonstrated by the premiers of several of the provinces by their disposition and by their approach to federal-provincial affairs. We have the capacity in this country to achieve a number of changes by administrative arrangement now, without having to wait for constitutional change. That could be done tomorrow if there were an accord on the part of the Prime Minister of Canada and the premiers of the provinces to do so.

I make the point that while none of us would accept the idea of a constitutional special status, it has been the long-established principle of this country that it is possible for different provinces to have different administrative arrangements with the government of Canada. That is a field we should be examining much more carefully as we look for ways to make our federal system serve the needs of this country right now. That is essential, not simply to make the system work but to make it seem to work to those Canadians who now have some doubts. We federalists have to cause Quebecers to understand that their choice, as they go to referendum, is not between their perception of the status quo and the Péquiste formula. We have to make it clear that the choice is between what we, as supporters of confederation, advocate in Canada, and the changes that the Péquistes advocate which would take Quebec out of Canada.

As an excuse for not offering positive proposals for change, the Prime Minister has been saying over and over again that no proposal for evolution within confederation is going to change Mr. René Lévesque's mind. Of course not. We are not trying to change Mr. Lévesque's mind. We are, surely, trying to persuade the people of Quebec that the arrangements and relationships within confederation can evolve to meet the cultural and regional needs of all the partners. The only convincing way to do that is for this government to enlist parliament and the provinces in developing that approach. In Quebec, especially, the approach must be seen as representing the views not only of the federal government but of all the other provinces. Beyond the present constitution, beyond the Quebec referendum, lies the need to commit ourselves and address ourselves again to the task of constitutional change. As I have said, there are other changes that we can make without having to contemplate constitutional change. Constitutional change is only part of the answer, as institutional bilingualism is only part of the answer. Both are necessary to demonstrate to unhappy federalists everywhere that this system is capable of change, that there is a choice between separatism and the status quo.

We must recognize that it will not be laws that bring us together. As we have seen, unhappily, with the insensitive application of the Official Languages Act and the strange rigidity of the government on constitutional change, laws and legal questions can often drive people apart. What we had in 1967, what we had in 1867, was a determination to build together that did not rely on laws. We all came into this confederation because it served our interests. There is no question in my mind that we are all better off as citizens of a large land, full of potential; no question that it is in the interest of Quebecers to share in the development of the Athabasca oil sands, and in the interest of Albertans to share in the growth generated at James Bay. We have here a potential to grow that is unparalleled in the world and which is best realized if we grow together.

Despite our efforts to define identity or to guarantee language rights, the real source of harmony in this country has been our ability to build it together. That potential is still here today, but we are not building toward it: we are drawing back and drawing apart. To use the language of the resolution, we need to dedicate ourselves anew to the concept of building together in this country. That means we must give as much priority in the next decade to economic and regional growth as we gave to language in the decade behind us.

In the meantime, we have healing work to do. We must reform programs that have not worked. We must help Canadians from one region to learn more about their neighbours. We must restore respect for our common institutions. Commissions, birthday parties, and television speeches all have their role in that process, but the central role belongs to the only agency which represents all the people of Canada. Therefore, I move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That the motion be amended by adding the following words at the end thereof:

"and as a means of actively and constructively affirming this dedication urge the establishment of a special joint committee of the Senate and House of Commons on national unity to recommend such constitutional, economic and social measures as will allow the federal system to respond fully to the needs of all Canadians."

COMMONS DEBATES

July 5, 1977

GOVERNMENT BUSINESS

CONFEDERATION DEBATE ON NATIONAL UNITY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, a few years ago Canadians informed the government of Canada that the tax system was unequal and unfair. As a result, a royal commission was set up and certain recommendations were brought forward. Since then the tax system has become more unfair, more unequal. Some years later Canadians sent the government a message that the foreign ownership of our resources was causing trouble and that somehow or another we should be controlling our own economic destiny. Once again the government responded. It set up a royal commission on foreign ownership. The commission made recommendations and, once again, the government acted: it acted in such a way that Canadian industry is being gobbled up at an ever-increasing rate.

More recently, Mr. Speaker, the government learned that there is a serious problem of national unity. What did it do? It set up a task force on national unity. After eight months contemplating the results of the most dramatic provincial election in our history, the government put all its brains to work, all its political and emotional commitment to the future of our country, and produced the idea of setting up a task force. If the past performance of government task forces tells us anything about the future, we can expect greater disunity in the future, rather than a united Canada. I regret that this has been the response of the government to the country's most serious crisis this century.

When the right hon. gentleman became Prime Minister (Mr. Trudeau) in 1968, he took over the government of a country which had lived through a period of genuine excitement. What took place in 1967 or 1969 was not a spurious, Pepsi-Cola kind of enthusiasm. What we saw in 1967 at the centenary celebrations was interesting architecture, much of which had come from Canadian architects, interesting cinema, much of which had come from Canadian directors making films for the first time, and imaginative music much of which had been written by Canadian composers. Beyond all this there was a sense among our people that the country was finally progressing toward a greater degree of self-acceptance, of awareness and independence as a nation.

Since then, as has been pointed out many times, most recently by the Leader of the Official Opposition (Mr. Clark), we have experienced one of the most alarming periods of disunity in the history of the nation. The Prime Minister, in his lecture today, trotted out two potential causes of discontent. One was economic and the other was cultural. I agree with him that much of the discontent in Canada has its roots in cultural and economic considerations. But I call on the right hon. gentleman to acknowledge that he has been Prime Minister for nine years and that the programs and policies having to do with cultural growth and economic growth are policies for which his government has been responsible. Throughout his speech I looked in vain for the slightest hint that the government might have failed somewhere. I looked for the slightest touch of modesty, the slightest acknowledgment of the fact that when the Prime Minister was elected there was not a separatist in any legislature in Canada, whereas today separatists form the government of Quebec.

The Prime Minister talked about the future as though the past decade did not exist. Yet it did exist. It was a decade of unrealized expectation for Canadians—lost expectations which had been raised in 1967 on a very solid foundation in both the cultural and economic fields. I suggest that the two areas the Prime Minister singled out are the correct ones. But there has been failure on his part, both in terms of analysis and in terms of implementing policies, which have led us specifically to the dilemma which faces us now.

Let me deal, first, with the nationalist question which is what the cultural question is all about. The Prime Minister has trotted out his old, 1968 nostrum, the Official Languages Act. Once again he implied that somehow or other, if this measure could gain acceptance across the land, the Quebec problem would go away. The right hon. gentleman's logic distresses me. I would have thought that a man with Jesuit training would have understood things more clearly. Throughout the period since 1967 he has been trying to apply the principle of the Official Languages Act and to gain acceptance for it across Canada. And it is precisely in the same period that the forces of separatism have gained ground. So whatever else might be said in favour of the policy, it surely has not headed off the forces of separatism.

Cannot the Prime Minister draw a lesson from this? Surely it is a clue to him that if this country is to remain united, it will not do so on the basis of an official languages policy. That policy—and I repeat what has been said by my two predecessors as leaders of this party—was a good policy and we shall defend it. At any time the government makes dollar grants of a sensible character for language training in the civil service or, more effectively, for training our young people in the two languages at the school level, we shall support this policy. But I ask the Prime Minister to get over his illusion that the Official Languages Act is a motivating force in the achievement of national unity. It is not. I do not agree with the Prime Minister's conclusion that the national application of the principle of bilingualism will somehow bring about national unity.

Why do I say that? I say, through you, Mr. Speaker, to the Prime Minister that the cultural problem is not a national problem. The cultural problem about language is in the province of Quebec. The Quebecers, the Québécois, and the vast majority of that province who speak French are sympathetic and desire that French-speaking minorities elsewhere in Canada have the same rights as English minorities do in Quebec. My party and I agree with that. That has not been the central source of their discontent with our federal union, which is a crucial point. Since the early sixties what we have seen emerge in the province of Quebec is a positive, exciting form of nationalism, a nationalism in which the people of that province—ordinary workers, factory workers, office workers or functionaries in a bureaucracy—have decided at long last in their history to become the cultural masters of their own house.

The tragedy of our time is that we have had a Prime Minister—I say this seriously—who intellectually and honestly opposes nationalism. But I say equally seriously that he is dead wrong when he says that all forms of nationalism must be negative. Therefore, he has not been able to show the kind of leadership to the province of Quebec that this country requires, because he has always seen nationalism as being inward-looking, negative, regressive and withdrawing.

In terms of the history of the province of Quebec up to the sixties, during the formative intellectual years of the Prime Minister's own life, I would suggest that he was right. Earlier forms of nationalism in his own province were precisely that: that is what it was all about. They wanted to go back to an earlier form of society. If the new nationalism which emerged in the 1960s in the province of Quebec had been like that, then the Prime Minister's action would have been correct. But I suggest that his diagnosis is wrong. He is intellectually rigid in his understanding of nationalism, and therefore he was unprepared to say to the young Québécois, "I am with you". He could not say to Gilles Vigneault, to Monique Leyrac, or to a whole list of young French Canadian writers and singers, "You can be both a Québécois nationalist and a Canadian".

The rest of Canada must understand that this Quebecer does not understand the positive force which is to work in his own province. He had to say to young Quebecers in particular, "You must make a choice. You must decide to be a nationalist and a Québécois, on the one hand, or a Canadian, and give up your nationalism, on the other hand". That has been a decisively negative aspect of the Prime Minister's leadership. One of the inevitable consequences of that response on the part of the Prime Minister has been to encourage the kind of negative development which he feared might occur.

While the Prime Minister is correct that there is a cultural aspect to our problem of disunity, he is wrong in pointing his finger to the problem of minorities, as important as they are in other provinces. A great example in this context would be

President Roosevelt. In the 1930s that great country to the south of us was going through immense problems and there were constitutional difficulties connected with those problems. But President Roosevelt showed moral leadership. He did not rigidly distinguish between what was a federal matter and what was a state matter in his country. He said there were certain areas to deal with problems federally. As a president, he did that and achieved constitutional changes as well. Beyond that, he went over state boundaries, as I am suggesting the Prime Minister should have done in terms of his attitude to his own people in the province of Quebec.

Instead of René Lévesque saying that the language of work must be French in the province of Quebec, our Canadian Prime Minister should have said it. Instead of René Lévesque saying that the majority of people in the province of Quebec are Francophone, and therefore must have a majority of the positions of power in the boards of directors, it should have been our federalist Prime Minister saying those things. I suggest to the Prime Minister, through you, Mr. Speaker, that he had better start taking up that kind of leadership in the province of Quebec and not leave it all to René Lévesque, because if he does the ball game will be over.

In addition to the cultural question, respecting which I submit there has been a decisive failure of leadership in this country and no indication on the Prime Minister's part that he plans to change that in the future, there is the economic domain. There is a very important connection in the province of Quebec between the economic discontent of Quebecers and the cultural resentment they feel toward Ottawa. It is not coincidence that the young, some 40 per cent of whom are under the age of 30 and committed to independence, feel the way they do.

In the last couple of years the province of Quebec has experienced 50 per cent of the new unemployment in Canada. The province of Quebec has a quarter of our population but a third of our unemployment. How does a young worker in Ste. Thérèse or in the Gaspé region, feel when he sees in Ottawa a government which rejects his cultural desires, and compounds, the problem by doing nothing about his human need for a job? That is the precise connection which is being made now by thousands of young Quebecers all over that province. In real terms, I remind the Prime Minister that we are talking about 400,000 who are out of work in the province of Quebec, and a disproportionate number of them are young Quebecers. Having failed the Quebec French-speaking population on cultural grounds, the grievance is compounded when their human desires to have a job are ignored.

Beyond the province of Quebec there are economic reasons for discontent in our land. Because the Prime Minister knows something about history, I ask him to remember that when this union came into being in 1867, it did so because the regions coming together thought they were all going to get equality of concern, if not absolute equality, by the national government. They expected approximate equality in their circumstances and their opportunities to grow.

In economic terms, I suggest that is still the legitimate foundation of the national union. If that is not achieved in Canada, the national union will not be maintained either. I direct the Prime Minister's attention to the figures for Atlantic Canada. The leader of the opposition brought out some of those figures today. I ask the Prime Minister to consider the fact that our fellow Canadians in Atlantic Canada suffered disproportionately, age after age, decade after decade, from unemployment which has worsened during the last decade rather than getting better. As has already been indicated, the program of regional development has been virtually scrapped.

On television the other night I saw a very moving Cape Bretoner who said to all Canadians watching television that they had serious problems in Cape Breton. He mentioned something which I am sure, caused people who live in Toronto, Montreal and Vancouver to shake their heads and wonder about. He referred to the fact that they still have outdoor "johns". That is a joke for most of us because it is so remote from our cultural experience, but for a good part of Atlantic Canada it is a reality. That type of regional inequality is something Canadians in that part of our fine land will not tolerate much longer.

There has been lots of rhetoric and nonsense spoken about western Canada in regard to western alienation. Perhaps occasionally I have indulged in a little of that myself. But the reality is there. The Prime Minister knows that there was western economic opportunities conference in 1973, when the four provincial governments met with the federal government and set up a series of legitimate demands. What were those demands about? Did they want special treatment? Did western Canadians say they wanted something that Ontario and Quebec did not have? Of course they did not. They said to the national government, "Give us an equal break. Change the freight rates system so that in the prairies there is an equal opportunity to develop industry, just as there is in southern Ontario". That was a reasonable demand. They asked for some moderation in the government's taxation policy on resources which it changed overnight without telling them. Again, that was a reasonable demand.

Following that conference, if I recall correctly, the Prime Minister said that these were sensible proposals for western Canada, that they were legitimate expectations for our prairie people whether they live in Moose Jaw, Calgary, or in the more rural parts of the prairies. But what did the Prime Minister do, Mr. Speaker? In 1973 the conference took place a year when there was a minority federal government. In 1974 there was an election and the Prime Minister got his majority and forgot entirely about western economic grievances. He forgot entirely those legitimate concerns of western Canadians who want to feel part of Canada too, those on the prairies more than those in British Columbia. They feel that the Liberal party of Canada plays a cynical game in every election. The cynical game is that they calculate their majorities in Ontario and Quebec and say to hell with the rest of Canada.

I think any objective analysis by a historian, or political scientist, of government by the Liberal party over the past 20 years will support that western cynicism. The Liberals do their polling, they send out their surveys and find out whether leadership or some other policy is the issue, they count the votes in Ontario and in Quebec and, by God, if there is a majority, they call an election. In the meantime, serious harm is done in our country because westerners become more discontent with their lack of power and the people of Atlantic Canada continue to suffer prolonged inequality. I say to you, Mr. Speaker, that an unjust confederation, not just from the point of view of the people of Quebec but from the point of view of western and eastern Canadians, will not survive and the Prime Minister had better learn that.

One issue, more than any other, of concern to our people, whether in western Canada, in Quebec, in northern or southern Ontario, is unemployment. I am not going to take the time of the House this afternoon to repeat speeches which I and others have made in past weeks and months. Let me simply say that the problem does take on national unity implications. I say that because there is an unhealthy correlation between high levels of unemployment and regions of serious discontent and the state of national unity. If you go to Newfoundland, you hear cracks about upper Canada and Newfoundland has 30 per cent unemployment. If you go to the Gaspé region, you find separatist members have been elected and you also find very serious levels of unemployment. There is this kind of pattern existing in a good part of our country within provinces and between provinces.

I say to the Prime Minister, as I have said elsewhere, that one of the best ways of making the nation work is actually putting the nation back to work. I wish that the Prime Minister would take that objective a little more seriously. The approach to the question of national unity taken by my party has been a serious one. We have not recommended a national commission. Since last November 15 we have been working to draw up very specific suggestions regarding what should be done at this time to maintain a strong, united country. Before coming to two or three points in that program which I want to emphasize—and I want to emphasize them with pride because 950 or so delegates at a recent convention of my party worked all over Canada Day weekend, appropriately and symbolically enough, to come up with what I think is a remarkably sound resolution on the subject—I want, in all seriousness, to discuss what I understand to be the central argument of the official opposition.

I listened with respect and with interest to the leader of the official opposition this afternoon when he emphasized economic concerns as a legitimate and important aspect of national unity. I want to say on behalf of my colleagues that we are in full agreement with the leader of the official opposition on that.

But beyond that, Mr. Speaker, there is a substantial difference between our approach and the Conservative party approach on the constitutional issue. There was not much emphasis placed in the speech of the leader of the official opposition today on the point, though it has been emphasized many times in speeches he has made outside the House. I want to deal with it because I think it is a dangerous point. I refer to the argument that at this point in our history we must, either by tax point transfers or by changing constitutional power, give more authority to the provinces.

In my view, Mr. Speaker, that would be a serious mistake for us as a federal union. As a federal country we are now burdened in some sense with a central government which has less economic power than the other major federal countries in the world. To take any more power, principally economic power, away from the central government would, in fact, contribute to disunity. The point I want to make is that giving either tax points to the provinces or constitutional power will cause the rich provinces to get richer and more powerful and, conversely, the poor provinces to become poorer and less powerful.

For example, a tax point transfer involved in recent legislation introduced by the government and supported by the official opposition just a few months ago. One tax point transferred to a province means \$4 per capita to the province of Prince Edward Island, but \$10 per capita to the province of Ontario.

No, Mr. Speaker, they are not, and I can go into the details of the new equalization formula. As a result of the decision reached in the new fiscal arrangements, there is in excess of a \$1 billion net increase to the province of Ontario over any other province. On behalf of my party, I want to say that the kind of Canada we want to build is not one in which we will find the rich provinces, whether Ontario, British Columbia or Alberta, becoming richer at the expense of all the rest. We will have nothing to do with that.

Quite apart from any notion of equality which, from my perspective, is so central to the argument, I appeal to my colleagues in the other parties to consider the following argument. If they are not interested in principle, in the notion of equality as such, I would ask them to think about the implications for national unity. If this kind of transfer continues, whether in the tax system or constitutionally, what it will mean is that the Atlantic provinces will build up a set of grievances against Ontario and against British Columbia, and perhaps Saskatchewan, after a few years of bad crops—and that is possible—will find itself once again in a have-not position. This will cause great resentment against the richer provinces. By giving more power to the provinces, either in the form of constitutional change or fiscal transfers, what we will be doing is sowing the seeds of future discontent in our land. So for national unity reasons alone I think we should oppose this kind of move.

If we reject that kind of constitutional approach seriously put forward, what is the option? Do we revert to the kind of centralized federalism that we have had over the last ten years, one that has shown no respect for or sympathy with the nationalist development in the province of Quebec; one that has insisted upon a rigid application of national programs, whether we are talking about hospitalization or CMHC, right across the land? I suggest that is not the option. There is a third alternative, and I should like to sketch in what I think some of the components of that third option are in terms of Canadian federalism at this point in our history.

First, we want to emphasize the need for an effective national government with a national program, whether we are talking about unemployment insurance, medicare, hospitalization or housing. All of these programs must be maintained on a national basis in order to give Canadians from coast to coast some reason to identify with the national government. Such programs can be nation building.

Second, we suggest that the government take the rhetoric of decentralization seriously, but instead of decentralizing fiscal power or constitutional power what they should do is decentralize in a fundamental way the administration of such programs. They can establish housing programs on a very broad scale and money will go to the provinces to build homes within a certain income category and price range, but then leave to the provinces the right to decide what kind of housing they will build. We do not need the rigidity that we find in CMHC.

The housing needs of New Brunswick are different from those in downtown Vancouver, and both, again, are different from those in rural Quebec. So let us turn over pretty completely the administration of such national programs to the provinces, the same as I said on another occasion in terms of hospitalization. If the provinces are to get money for hospitals, they should not be told, as the government has told them in the past, to spend it all on acute care hospitals. Maybe one province needs more nursing homes than acute care hospitals. Again, the solution is not to get rid of such national programs, which I take to be the logic of the Conservative party. The solution is to maintain such programs, but to radically decentralize the administration and give the provinces the right to decide whether it makes more sense for them to build acute care hospitals or nursing homes. That is our second point, that we can have substantial decentralization in the administration of national programs.

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The third point I would make, particularly at this point in history, is that we need a massive program to deal with unemployment. The Prime Minister recently came back, with what I took to be some kind of pride, from a meeting of seven industrialized countries and said that we are not unique, that all countries have the unemployment problem. What he did not point out is that among the seven countries we are the worst. He casually forgot to say that the other six have an

unemployment problem, that is true, but two or three of them have social democratic governments which are doing a hell of a lot better than Canada is with the combination of inflation and unemployment. That is the point. Certain governments are prepared to involve themselves in the kind of national economic planning that is necessary to deal with both inflation and unemployment, and the resolution passed by my party on the weekend calls for such a national planning effort on behalf of this government.

Fourth, I turn to the constitution. It is our view that some constitutional change is necessary; some is inevitable. There has been change in the past and there will be change in the future. Some sensible proposals have been made by a number of Canadians both inside and outside this House, but I want to stress that in our view the basic structure of our constitution is sound and the prime source of our current tensions and problems in Canada does not come from the constitutional structure we now have. It comes, rather, from the policies and leadership, or lack of leadership, in the politics associated with that constitution.

I suggest that, for example, in the province of Quebec where the cultural problem is the serious one, René Lévesque is showing that within the present constitution the French language can be made the language of work for the people of Quebec—and I and my colleagues, salute and support that effort. Second, the effort to make changes in the distribution of power in the province of Quebec can be done within the present constitution. It is the case that the minority of Anglophones dominates the power structure in the corporations in that province, and it is the case that if the prime minister of that province wants to change that, as he does, he can do so within the present constitution and we should encourage him in so acting.

Finally, another aspect of concern to the people of Quebec, as expressed by a good number of them, anyway, is that they want to get more control over their natural resources, as do a lot of people in other provinces who support the philosophy of my party. I say through you, Mr. Speaker, to the Premier of Quebec that if he wants to do to the asbestos industry in Quebec what Alan Blakeney has done in his province to the potash industry, more power to him. He can do that also—I want to stress this—within the existing constitution.

Although we are very open, as a party, to those who want to propose constitutional change, it is certainly our view at this point that that is not the primary concern and that more basic economic and cultural matters and problems can be solved by political and economic decision-making within the present framework.

Let me conclude with our last point. What I think is really required in our country, more than anything else, is a leadership which says to the people of Quebec and to ordinary Canadians outside the province that there are, in fact, two great cultures. I say that to the Prime Minister who tries to pretend that somehow it is simply a multicultural society. It is

multicultural, but he knows as well as I do that there is a predominant Francophone culture established as a society in the province of Quebec, and there is the English community outside of it. What we require, surely, from the national leadership is for those of us who are federalists to say to the people of Quebec, "Let us work together. There is an immense amount of good that we can do. Within the federal union we can best preserve your cultural existence and Francophone community so you will not be gobbled up by the Americans to the south; and together you, the province of Quebec, and Canadians elsewhere can build a just and decent society that is really committed to building a sense of community based on the values of liberty and equality."

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FEDERALISM OR AN ASSOCIATION OF INDEPENDENT STATES

Address given at
the University of Montreal

by

Senator Maurice LAMONTAGNE

under the auspices

of

Canada Studies Foundation

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As this conference is part of a series in honour of Walter Gordon, it is only normal that I begin by saying a few words about this great Canadian.

Walter Gordon, former Minister of Finance in the Pearson Government, is now Chancellor of York University. That is only one of his numerous occupations. For many years, he has served his country in a number of capacities and always with great devotion. He has acted either as President or as a member of several major commissions of inquiry, including one on Canada's economic prospects which, twenty years later, still offers most timely observations. If Walter Gordon is now considered one of the country's greatest defenders, it is primarily because he was the first to show Canadians the dangers of too great an economic dependency on the United States, a crusade in which he has persevered tenaciously over the last twenty-five years, notwithstanding the difficulties and the lack of rewards. But his crusade has indeed greatly contributed to the new collective assessment of our situation and is partly responsible for the fact that today more and more Canadians want to retain their national identity rather than become assimilated by our powerful neighbour to the south. In this most important respect, we owe a great deal to Walter Gordon.

Obviously, the topic I picked for this address has been dictated by the present circumstances in Quebec. In talking about Quebec's future, I will have to limit myself to summary and preliminary thoughts only. The difficulties that Quebec society faces, and the solution and options it may select, are too complex and diverse to be discussed according to their merit within the context of a single address. I wish to express those preliminary thoughts here in all sincerity, with the greatest respect for the opinion of others, while asserting, from the outset, my attachment to federalism.

The manner in which political parties behaved during the election campaign and the result of the November 15 election has created a climate of confusion that would not be so worrisome if it did not entail the very future of Quebec. While it is true that 60 per cent of those who cast their ballots voted against the party that proposed independence, one must ask whether the others voted for complete separation, for the souveraineté-association approach or simply for a good government and a dynamic leader and against a governmental team that had become unpopular. That is the first source of confusion, even though, according to certain surveys, approximately half of those who gave their support to the Parti Québécois did not favour separation.

This is no doubt why this Party promised to behave as any ordinary provincial government and to administer the province within the present framework of Confederation as long as separation was not decided upon. On the other hand, the Parti Québécois must remain faithful to its indépendantiste ideology and proceed with the calling of a referendum. And we have here, again, another important element of ambiguity. The dual aspects of this mandate are incompatible. One cannot expect the partner in a marriage to really participate in conjugal life when he is firmly resolved to separate and has already begun divorce proceedings. How could such a partner participate and be seen as a valid voice in any dialogue attempting to improve the condition of the partnership?

So we find ourselves in a rather bizarre situation for, if it is true that a large proportion of the Quebec population is opposed to separatism, it is no less true that these same people seem to want modifications to their condition as partners in the federal household. Meanwhile, the new government in Quebec has neither the credibility, nor it seems the desire, nor even the possibility of expressing seriously, vigorously and positively this popular will. Consequently, the great majority of Quebecers find themselves without a valid provincial spokesman in the federalist debate at a point in time when they need such a spokesman more than ever. Circumstances are such that this spokesman is not where he should be since he is fully engaged elsewhere in a quite different process. Unfortunately, it is not the first time in its history that Quebec has lived through such contradictions.

The Referendum

So we find ourselves faced with the prospect of a referendum whether as a result of the collective will, which is doubtful, or of accidental circumstances, which is more likely. This plebiscite, desired or unwanted, will nevertheless be of major importance for Quebec's future. Unfortunately, such a method of consultation is not easily used effectively, particularly when it pertains to complex issues. So we are faced with three major problems. On what date will the referendum be held? How will the campaign preceding it be organized? And how will the questionnaire be worded?

The date of the referendum is important. Opinion survey experts know how changeable public opinion is and how it can be influenced by circumstances that often have nothing to do with the substance of the decision to be made. If one of the parties has the privilege of selecting the date on which the population is to be consulted, that party has, at the very outset, a decided

advantage over his opponent. So it would seem that the public interest and that of the Parti Québécois are incompatible in so far as the choice of the date is concerned. If one takes into consideration the climate of uncertainty surrounding the holding of a referendum, it would no doubt be in the general interest to avoid any undue delay. However, the Parti Québécois seems to believe that its chances of victory are best if it delays the holding of the referendum for as long as possible.

Also, the organization of the campaign preceding the referendum could have a determining influence on the result. Who will be allowed to participate in that campaign? Presumably, everyone in Quebec and even all other Canadians since they will be directly affected by the decision to be taken, which should give them the right to be heard. Who should bear the costs incurred by the participants? One can assume that private groups will have to underwrite their own costs but will they be allowed special tax deductions as a partial compensation? What will be the situation of political parties? Will they have to limit themselves to the funds collected from the private sector or will they have access to public funds? If the later alternative were to apply, how would the funds be divided? Should the Quebec government have special access to public funds in order to finance its own campaign? If so, should the same not apply to the government of Canada since it represents Quebecers in all areas of federal jurisdiction to the same extent that the Quebec government represents them in areas of provincial jurisdiction?

There is also the very complex problem of access to the information media. Should the rules concerning political broadcasts during a provincial election campaign apply similarly to the campaign that would precede the referendum? In this case, should not the federal political parties have their own programs? And what about private groups? Will they be able to use radio and television and under what conditions? The solution to such unprecedented problems could be all the more complex since it would rest largely with federal bodies.

Finally, one must define the terms of this popular consultation; this is possibly the most difficult task of all and it will ultimately determine the validity of the referendum. The options presented to the population must allow it to make its choice without any ambiguity and to see clearly both the advantages and the inconveniences of the alternatives. Therein lies the difficulty. For the population to be able to state its choice clearly, it will be almost indispensable that there be only one question. Obviously, if people face more than two options and several orders of preference, the answers obtained could be inconsistent and the results could be inconclusive. This is a problem with which public opinion survey experts are most familiar.

However, the options being discussed at present are far from being clear and their consequences are even more difficult to understand and to foresee. For example, the new Quebec government does not solely favour independence or separation, which is a clear option in its concept, at least, if not in its effects. It also proposes -- and this is another essential element of its program -- an economic association with what would be left of Canada. The nature and the form or such an association remain to be defined. To what degree would it reduce sovereignty? More important still, can one honestly propose to the people of Quebec an option the implementation of which depends upon partners that have not been consulted? And if what remained of Canada decided to refuse such an association? Would it then be total separation? If such were the case, the Quebec population would have been consulted on a false option.

The alternative to separatism or to souveraineté-association is federalism. But that concept too is far from being precise. Already, since 1867, we have lived under four different types of federalism. In the current debate, reference is made to what is called "the Canadian concept" of federalism to which some people would like to oppose a "Quebec concept".

And then there are those who propose a federation of the five main regions of Canada. Should the question asked at the time of the referendum also concern itself with federalism? In the affirmative, which form of federalism would be proposed and who would define it?

As you can see, it will not be easy to organize this referendum in such a way as to guarantee its credibility and validity. And the obvious and very deep conflict of interest in which the Quebec government finds itself certainly does nothing to improve the situation. For, while organizing such an historic consultation, that government will be at once judge and jury, notwithstanding the enabling legislation that will eventually be voted by the National Assembly. In this respect, the proposal submitted by Professor Léon Dion recommending the creation of a Council on the Referendum as an autonomous and impartial body should be followed.

The campaign preceding the referendum will only begin officially with the announcement of the date on which it will be held. It would be most surprising if such a campaign could avoid polarizing public sentiment and take place in a serene climate completely devoid of emotion. As for the debate on Quebec's future it has already begun and, especially at this point in time, it is of the utmost importance to avoid polarization and to remain calm.

The Debate and Its Participants

Fortunately, from the outset, we can admit that there are no traitors among us so that there should be no moral indictment in the current debate. However, as far as Quebec's French-speaking elites are concerned, there is a division between the nationalists and those whom I will describe, for lack of a better term, as the humanists. I realize that the two tendencies are easier described in the abstract than in real terms and that it is difficult to define them with any objectivity. Nevertheless, this must be done for, in my opinion, this division is at the heart of the debate and it determines the practical options selected by the participants.

The nationalist school stresses, naturally, the group or the nation, its way of life and vast collective projects. It stems mainly from a class phenomenon where leaders take on the task of defining what constitutes the common good of the nation, according to their own preoccupations and their own aspirations. In this context, it personifies, consciously or not, the quest for power of a certain number of the elite. But nationalism often becomes intolerant with regard to "foreigners" and it can also be most intransigent toward the "natives" demanding of individuals that they sacrifice themselves in the name of the higher interests of the nation. Nationalism is at once collective and particular. It leads directly to collective independence.

In Quebec, such a tendency has very old historic roots for it dates back to the days of Louis-Joseph Papineau who, after 1820, triggered a long constitutional debate to obtain greater power for political leaders while neglecting the preoccupations of the French Canadian people who, at that particular point in time, were faced with a very serious economic and social crisis. In more recent times, the slogan "Maître chez nous" caused the Quiet Revolution in 1962 to forget its original objectives. And this deviation in turn produced the "politique de grandeur", which in no way reflected the preoccupations of the masses and consequently was rejected by the voters in 1966. Jean Fourastié warned us of such a danger when he said: "The average man's 'logic' is very different from the rational thinking or logic which is taught in books. Thus the gross errors made by the intellectuals and the men of the 'leading classes' whenever they attempt to think like the crowd or when they try to talk to or inform the people".

On the other hand, the humanist school, at least as I see it, is centered on the individual, his needs and his aspirations. Its main preoccupation is the standard of living of the people. It sees the nation not as a master but rather as a servant, as one of many groupings that must promote and protect the individual.

The founder of the European Community, Jean Monnet, gives an excellent definition of this approach when he writes in his Mémoires: "... man's development rather than the affirmation of a country great or small, is the object of all our efforts". And so, humanism is at once singular and universal, for it aspires to individual liberty and the full realization of all men. It is therefore also pluralistic and open. In this context, collective independence ceases to be an imperative and becomes an option, among other options, that must be assessed as all others according to the contribution it can make to the freedom and development of the individual.

This humanist approach also has historical roots in Quebec dating back to Louis-Hippolyte Lafontaine. In order to bring about economic and social reforms and the implementation of public works that had been too long delayed by the constitutional crisis of the 1830's, Lafontaine chose to utilize the political institutions of United Canada, however imperfect; in so doing, he greatly contributed to improve the lot of French-Canadians. In a moment, I will also attempt to demonstrate that, in more recent times, several federal governments adopted the same attitude.

But before doing that, I would like to remind you that if one does not take into consideration this very real distinction between the two basic concepts of the objectives of a political society that evolved among the French Canadian elites, it will be much more difficult to understand what has been referred to as "our internal divisions". For, in fact, these two approaches are essentially different in their spirit, their objectives and their results. One approach is nationalist: it pretends that only revolutionary changes in political structures can bring about a true solution to the problems of Quebec society. Hence independence is seen as a vast collective project, as an historical enterprise of liberation. The other is humanist: it maintains that what matters most is the development of good policies that will ensure man's improvement; it further contends that political structures -- which in any case will always be imperfect -- should be adapted as much as possible to the requirements of that goal. This division within the elite that characterizes the current debate is certainly nothing new in Quebec. So we should ask ourselves which of these two approaches has best served Quebecers in the course of their history.

Historical Reminders

In recalling as briefly as possible certain key moments in our history, I will first assert that the French Canadians have had to overcome grave difficulties and that they have had serious

grievances that were fully justified. But those aspects of our history are rather well known and I do not intend to recall them. I prefer to stress other points that have been forgotten or inadequately covered by several generations of our historians, as these points could bring a new perspective to the current debate. This approach will no doubt appear as an antithesis, but I feel it must also be considered as part of the total assessment.

Without going back to the French régime and to the way mercantilist and imperialist France treated those who already identified themselves as Canadians, I will nevertheless take a brief look at the Conquest. Our historians have delved at length on our defeat, an interpretation that has not been forgotten by English-speaking Canadians who, upon occasion, still treat us as a conquered race. Would it not be closer to the truth to say that France and her armies and not the Canadians lost the Seven Year War; that France could have kept Canada when she negotiated the Paris Treaty in 1763 if only she had been more interested in Canada's furs than in Guadeloupe's sugar? And yet, the traditional interpretation of the Conquest is largely responsible for the inferiority complex that, for so long, has haunted us.

We have also been told that we had been destroyed and that we would never be able to rise again. Such was the message of the darkest form of nationalism, but what would have happened without the "Conquest"? Undoubtedly, economic stagnation as the fur trade declined, the indefinite postponement of the development of democratic institutions and also, quite probably, eventual assimilation into the great American melting pot. It is clear that the new régime was, particularly for our elite, a serious challenge. But what would have happened to the people if complementary economic relations -- almost impossible with a largely self-sufficient France -- had not developed with Great Britain; if, after the "Conquest", the fur trade had not been complemented by wheat exports and had not been followed by the timber trade and shipbuilding, once the beaver had disappeared and wheat production had substantially declined, particularly after 1820? Poverty would certainly have been much more widespread than it was and emigration to the United States would have begun earlier and would have been much more massive. In such a context, we can say that the new régime at least made possible the economic and social survival of the French Canadian people during a very difficult period of readjustment; from this point of view, it did indeed give our ancestors a new beginning. But then, how is one to interpret the efforts of Papineau and his friends to convince the London government after 1833. to terminate Lower Canada's timber trade?

During the 1860's, the Quebec economy again showed signs of a new crisis as the shipyards and the timber trade declined because of the ever-greater negative impact of the Industrial Revolution and the unfavourable external climate.

At that time, Confederation saved the situation. And yet, Papineau opposed that project siding with his young disciples of the Institut Canadien, many of whom favoured annexation to the United States.

After 1867, the new federal government -- thanks to its greater borrowing capacity -- began to undertake vast public works such as the construction of railways, of harbour facilities and the St. Lawrence Seaway System. The federal government organized a wider common market that grew with the acquisition of the Northwest Territories. In 1879, it proclaimed the National Policy that considerably increased tariff protection in order to keep the Canadian market for the new manufacturing industries. Toward the end of the century, under more favourable circumstances, the federal government developed a comprehensive program that was to lead to the rapid settlement of the West and to the creation -- really for the first time in our history -- of complementary economic relations between the different regions of the country.

These new arrangements were very beneficial to manufacturing industries in Quebec and Ontario, providing them with a rapidly growing domestic market. André Raynauld, the former president of the Economic Council of Canada, has shown that all through this long period both provinces developed at much the same pace. It is true that their industrial structures became diversified as Ontario inherited the steel industry while Quebec developed the textile and shoe industries. But such a diversification was largely the result of geographic conditions, each province reproducing the industrial vocations of its adjacent region in the U.S. Thus Quebec became the industrial extension of New England.

It can nevertheless be said that Quebec's industrial takeoff must be largely attributed to the federal Government's initiatives, and which greatly contributed to the improvement of the Québécois' lot and to the eventual termination of massive emigration, notwithstanding a most unfavourable technological climate. Even when, at the beginning of this century, natural resources became a dynamic growth factor, provincial governments only played a very passive role with respect to economic development. During the same long period, the nationalist elite concentrated their attention on Riel, the school question and Canadian participation in foreign wars. They were, at that time, much more interested in the fate of French minorities living outside Quebec than in the condition of the population living within the province.

With the Great Depression of the '30's came the realization that industrialization and urban growth could be the source of major forms of economic and social insecurity for individuals and their families. And yet these very serious problems that affected the people had no real priority for Quebec governments between 1930 and 1960. Their intervention was limited largely to helping needy mothers and to very modest measures of social assistance often

offered in a discretionary manner to favour political friends. Once again, the federal Government had to undertake this new fight against insecurity. In 1941, it began to develop a system of social security that today, in spite of certain deficiencies, remains one of the best in the world.

The nationalist elite was violently opposed to these measures, even though they answered some very urgent needs of the population; it argued that they infringed upon provincial autonomy, were inspired by Protestantism and were threatening our collective personality. During the Great Depression, and even afterwards, these elite proposed a retrograde ideology. They were preaching the revenge of the cradle even though there were no jobs available. They favoured a return to the land even though the agricultural potential was exhausted. They praised the advantages of a rural environment but the sons of farmers were forced to move to the cities. They proposed an impossible form of corporatism while scorning labour unions and co-operatives that could have helped the people. They imposed religious and national segregation as a guarantee of survival although the American economic invasion continued at an increasing pace.

In the cultural and educational fields, Quebec was then atrophied. Universities were dangerously out of date and the few researchers they tolerated received very little support. There were a few theatre companies but they survived mainly through the devotion and sacrifices of the artists. There was no support for our literature. There were, what we called at the time the "retours d'Europe" but these exceptions had difficulty readjusting to our milieu. Our language was extremely poor. There were many who could not express themselves without frequently resorting to religious advocations. Because of this peculiar religious contribution, it would have been more accurate to say that faith was the guardian of the language.

Successive provincial governments did not indicate by their action that cultural development was for them any great priority. It can even be said that, in this area, the Quiet Revolution limited itself to a few symbolic gestures. Even today, there is still hesitation on the part of the Quebec government to create a cultural council as there is a continued fear of ensuring freedom and adequate financial support for our cultural development.

Here again it was up to federal governments to innovate and fill the void that could have been tragic for the survival and progress of the French Canadian culture. First, there was the development of a science policy to help researchers, through the creation of the National Research Council. Other federal institutions followed: Radio-Canada and the Canadian Broadcasting Corporation, the National Film Board, the Canada Council. Many support programs were instigated: subsidies to universities, financing of post secondary education, assistance to film makers and to the publishing industry.

These were the programs that were most forcibly attacked by the nationalist elite because they believed that such federal institutions and programs constituted a serious threat to our collective personality. However, without these "intrusions" what would have become of the individual personality of our researchers, of our artists, of our painters, of our chansonniers, of our authors? What would have become of our cultural institutions, such as our universities, our orchestras, our theatre and ballet companies? How could we fail to recognize the considerable contribution of Radio-Canada to the cultural renaissance and linguistic progress of Quebec? Furthermore, it must be said that direct or indirect federal assistance to cultural activities showed far greater respect for the liberty of institutions and individuals than certain interventions by provincial governments.

Some of you may see in this historical retrospect a form of pleading. Personally, I feel that it represents the truth, although it may not be the whole truth. It only recalls a general outline of events that have not been widely discussed in Quebec. In my opinion, it shows that the Canadian Confederation has not been a failure as certain people would have us believe. The economic, social and cultural fate of Quebecers would have been much worse if it had been left solely to the nationalist elite and to provincial governments that have held office since 1867. It may be useful to remember these points at a time when another Quebec government invites us to free ourselves from the chains of federalism and to give it the exclusive responsibility for our individual and collective destinies.

An Association of Independent States

As a matter of fact, the invitation that the Quebec government has extended to us is rather ambiguous. It proposes independence but also association. According to the well known formula, we are offered separation if necessary but not necessarily separation. There are no doubt very serious reasons that prevent the Parti Québécois from frankly contemplating total separation. It may be useful to review some of them briefly.

First of all, sovereignty would be more symbolic than real. The era of truly independent nations is gone. Technology, closer economic relations and more rapid communications have produced interdependence and made isolation impossible. What happens in the Middle East now affects our daily life. Recessions and chronic inflation are world-wide. Technological autarchy is no longer possible, even for the United States. Soon we will have direct access, in our homes, to television programs produced on the five continents.

This is why nations like those of Europe -- which have for centuries enjoyed sovereignty -- now see themselves forced to abandon it sector by sector. They realize that in what is left of that independence, their freedom to manoeuvre is more and more limited. In the context of such a world movement toward interdependence, how could Quebec succeed in its backward march toward an inaccessible rendez-vous? Mr. René Levesque often proposes the European experience as a model of what he would like to accomplish. In my opinion, the example is badly chosen because what the Europeans are trying to create with great difficulty is more or less what we already have here in Canada.

Moreover, there are constitutional forms of independence that barely veil strong links of dependence. At the time of Mr. Lévesque's visit to New York we were given a glimpse of what Quebec's independence might be. The object of his speech was to reassure the American fund raisers and, consequently, to hide as much as possible the bent toward social democracy. Through the limitations it imposes, reality thus betrays even the most beautiful dreams.

Quebec's independence could be only symbolic but its cost would be very real and, quite likely, substantial. The economic costs could be enormous and would no doubt contribute to worsen the current stagnation. For instance, and this is only one example among many, Mr. Parizeau recently declared in Toronto that the absence of a common market with Ontario would be catastrophic, notably for Quebec. The most recent figures available indicate that Quebec exports 30 per cent of its manufactured products to the rest of Canada, while Canada sells only 14 per cent of its manufactured products in Quebec.

Some advocates of independence view with contempt any attempt to measure the economic consequences of separation. Possibly they would not be there to bear them. After all, Papineau has already shown them the road to exile. Fortunately, the Quebec government is more realistic when it proposes an association with what would be left of Canada. However, the content, the form and the very possibility of such an association remain uncertain.

The content of such an association appears strictly economic since René Levesque has already announced that a sovereign Quebec would even have its own army. Recently, Jacques Parizeau emphasized the creation of a common market. He has also previously proposed a monetary union. As for Claude Morin, while he talks of an economic association, he gives no details as to its content. He could hardly propose its extension to all economic policies, including fiscal policy and regional development programs. So where does one stop? How does one distinguish between economic policies and social policies?

A comprehensive economic association would leave little scope for unilateral government decisions and would render ridiculous the pursuit of independence. It is really quite astonishing that after nearly 10 years of reflection and discussion, the Parti Québécois, having initiated the referendum process, is still not capable of giving any clear indications as to these essential aspects of its great project. While we wait for clearer definitions, let us suppose that the proposal for association would be limited to a common market and a monetary union.

The form of such an association also remains vague. Would it create customs and monetary authorities of a confederative type whose mandate -- both in its terms and its execution -- would be constantly and directly under the jurisdiction of the governments and parliaments of the new Canada and of Quebec, each of them thus maintaining their full sovereignty? How then could one expect to have wise and quick decisions by submitting the formulation and execution of such complex policies as tariff and monetary policies to such controls and negotiations.

Jean Monnet, giving us the benefit of his great experience, warns us of the dangers of such an approach. "...the Europe of sovereign states was incapable of bringing forth from its bosom, however great the good will of its leaders, the wise decisions which were needed for the common good". Further, in his Mémoires, he adds: "General de Gaulle's proposals...completely disregard all the experience which has shown us, through a series of failures, that it is impossible to settle the European problems among states which retain their full sovereignty". And Jean Monnet continues: "General de Gaulle explained that he wished to reduce the common action of France and its neighbours to exchanges between governments. However, experience shows us that such exchanges are necessarily precarious all the more so as they are constantly being questioned through threats of breakups".

And Jean Monnet concludes by indicating the other approach: "...to delegate sovereignty and to exercise in common this delegated sovereignty. It seems to me that nothing else has been invented in the last 25 years to unite Europe, notwithstanding all the occasions to by-pass this road". However, if one wishes to avoid purely bureaucratic authority and to ensure the democratic exercise in common of the delegated sovereignties, such a road inevitably leads to federalism. This was certainly Jean Monnet's objective. This may also be the road that Mr. René Lévesque was suddenly rediscovering when, recently, he stated that he did not reject the idea of a federal parliament, provided such a parliament did not levy taxes and did not pass legislation. In this regard, he lags behind Europe which is currently preparing to elect directly by popular vote a true European parliament. Why then submit us to a lengthy process, both difficult and dangerous, to arrive finally more or less where we are right now?

However, Europe's march toward federalism is proving to be long and difficult and it is not certain it will reach its goal. The European Community is currently experiencing serious problems stemming both from national interests and quarrels about sovereignty. As a matter of fact, if it does not soon accept federalism, it is threatened with destruction, after 25 years of existence. So, Europe's experiment shows that it is not easy to build up and maintain an economic association among independent states.

By constantly referring to the model of the European Community, the Parti Québécois indicates that it will no doubt take the road of delegated sovereignty but it will more than likely stop at a delegation of power to bureaucratic authorities or commissions such as those that still exist in Europe. How then will such authorities be constituted and how will decisions be made within these institutions? Will Quebec's representatives have the right of veto? Will they be on an equal footing with those of the rest of Canada or will they be on a basis proportional to population? According to newspapers, Bernard Landry, addressing the Public Affairs Council in early March, said that Quebec would only require a voice proportionate to its population. No doubt this is the only realistic attitude the Quebec government can take if it wishes to make its formula for association acceptable to the rest of Canada. Proportional representation, however, would be approximately 25 per cent, which means that Quebec's voice would always represent a minority.

Thus, the formulation and execution of tariff and monetary policies would then be completely outside the control of an independent Quebec, so that it would then have less say in these two strategic areas than it now has through its representation within the federal government and parliament and through the interventions that the provincial government can make. Clearly the choice being proposed is not terribly tantalizing: either complete separation with all its catastrophic consequences, as Mr. Parizeau himself says, or, association but with less independence and control than there now is at least in those specific sectors it would cover.

One must also realize that an association that is intended to be limited may have much more extensive consequences. The kind of common market proposed by Quebec's Finance Minister would provide for a free exchange of goods, capital and people. The effects of such freedom would imply serious limitations with regard to the formulation of fiscal policy. For instance, if corporate income tax were higher in Quebec, business firms would tend to relocate elsewhere and investment capital would leave. A climate of social democracy would have similar effects. The free

movement of people would considerably reduce control over immigration and emigration as well as over manpower policies. As you can appreciate, reality's many components can seldom be conveniently chopped up into separate pieces. One may wish to have a very limited association but often such a union can have more far-reaching effects than its immediate thrust. Unfortunately, in this matter, one must also accept the consequences of what one wants.

A monetary union offers similar problems. Of course, such a union would have great advantages for Quebec as it would ensure more stability and greater borrowing capacity. But such an association would also mean that the effective control on the money supply and on the interest rates structure would not belong to Quebec. Such a lack of control would impose serious limitations upon the taxation and expenditure policies of the Quebec government.

Thus, economic association, even in a limited form, leads from independence to a greater servitude. And even such reduced sovereignty would have its price. I have no intention of entering at this stage into the battle of statistics regarding the profitability of federalism.

Nevertheless, I find most deplorable the recent decision of the Quebec government to publish certain figures purporting to show that, between 1961 and 1975, the cost of federalism to Quebec would have been \$4.3 billion. It is the first important gesture by that government that makes me question its intellectual competence if not its honesty. I was astonished to see the Premier, Mr Levesque, endorse such a stratagem.

Using incomplete figures in a way that often distorts their meaning, the Quebec government has drawn general conclusions that can easily mislead the population. Several analysts have already emphasized that such an exercise was an unforgiveable error for an economist like Mr. Rodrigue Tremblay. One cannot measure the benefits of federalism solely by looking at the money collected and spent in Quebec by the federal government. Any serious assessment would require a much more comprehensive analysis of costs and benefits. For instance, if one looks only at government accounts, tariffs appear only as a cost to Quebec. The benefits of such customs protection to the industries and workers of Quebec are not included in this government balance sheet. There is another illustration I would like to give. Over the years, the Canadian government has spent more than a billion dollars in Ontario for research on atomic energy. The public accounts would indicate that Quebec paid its share of such expenditures but they would not show that Quebec has already benefited from this research when nuclear installations were built at Gentilly and that, in the future, it will benefit even more if the provincial government decides to rely more heavily on that technological option.

These two examples alone show that the Quebec government has seriously underestimated the benefits of federalism. If it wishes to retain its credibility, it must quickly correct such gross mistakes, for the people of Quebec are entitled to reliable information when their future is at stake. This is their most fundamental right. More particularly, the government will have to take into account the incomplete but justified criticisms published by the Co-ordinating Group of the Federal Provincial Relations Office in Ottawa.

Personally, I believe with Mr. Parizeau that the economic price of independence would be enormous, much more so as the yield of the same rate of taxation is smaller in Quebec than the national average. This differential is the reason for the equalization payments that would be discontinued after separation. This lower yield would also mean that the Quebec government would have to impose higher taxes in order to finance federal expenditures now being made in the province. No one has yet calculated this differential but it would certainly represent a substantial amount.

Separation would imply another price, a cultural cost. More and more English-speaking Canadians living outside of Quebec are currently learning French and participating in the French Canadian culture, thus ensuring its protection and diffusion. Separation would undoubtedly end this trend of empathy and our artists might be the first to suffer. Moreover, separation would fracture French Canada. Approximately 20 per cent of the French Canadian population lives outside Quebec, mainly in Ontario and New Brunswick. No doubt Quebec has contributed to the progress and survival of French minorities, but these groups also allowed Quebec to expand its cultural frontier. Separation would certainly not foster such mutual support, particularly since the milieu where those minorities would then live would be even less sympathetic than in the past.

As one can see, the sovereignty-association formula holds serious inconveniences for Quebec that are seldom mentioned. But let us ask ourselves whether or not such an approach is feasible: How would separation and association be accepted by the rest of Canada? The Parti Québécois maintains that Quebec independence would also be a liberation for English-speaking Canadians and that consequently it would take place in a serene climate on either side. I for one know of no secession that was accomplished in a peaceful climate even when it did not fracture a country into three separate parts. It may be that Canada would be the exception even though at present, according to the latest surveys, only 14 per cent of Canadians accept the idea of separation. How can we believe on this basis that it would not create acrimony and animosity?

For separation to take place in an atmosphere of peace and legality, it would have to be the object of a negotiation and an agreement with the rest of Canada at least to settle the accounts and separate the assets. Such a process could be more complicated than some people seem to believe. Mr. Lévesque simply proposes that the Quebec government acquire all federal property within the province and assume 25 per cent of the national debt. Is such a formula equitable? No one can answer this question. Would it be acceptable? Presumably, if Quebecers opted in favour of separation at the time of the referendum, they would then either implicitly or explicitly accept such an arrangement.

However, the government of Canada would not have such a mandate to negotiate the separation and the settling of accounts. Normally, the rest of Canada ~~would~~ have the same right as the people of Quebec to be consulted by means of a referendum on this negotiation. What would happen if they were to vote against separation and the formula proposed for sharing the assets? This is where confrontation would occur even if it had not been wanted at the outset. Should we dare to imagine the situation that might then develop?

That is not all. The rest of Canada would also have to be consulted on both the content and the form of the new association. Would it favour monetary union, even if it thought that Quebec might weaken Canada's currency? Would it accept the common market? The answer to this last question is more difficult. Once separation would have been decided, Ontario might be interested in such an association, particularly as its influence would be crucial within the new community. But it would probably not be the same for the West or the Atlantic region, which have both felt for a long time that they were the victims of tariff protection without really benefiting from it. This question would bring about very deep divisions within the rest of Canada and could very well provoke the final rupture, particularly in the West where grievances against Ontario are deeply rooted. On the other hand, if the common market were refused by this new Canada, it would mean economic catastrophe for a separated Quebec, according to Mr. Parizeau.

To summarize, the sovereignty-association formula holds certain and serious dangers for Quebec and for the rest of Canada. It implies even more risks, which are difficult to foresee and to measure, including the emotional confrontation that might become uncontrollable. For Quebec, is it really worth engaging in this long march, ending up, at worst, with a catastrophic separation or, at best, with an independence more symbolic than real? Personally, I really hope that, once the referendum is over, we will stop playing the role of sorcerers' apprentices. This shorter path will already have cost us enough in terms of spent energy, loss of time, internal divisions, uncertainties and instability. I sincerely hope that we will then quickly come back to the more basic elements of reality because the very urgent problems of the new society that is developing under our very eyes and, too often without our participation, will not wait indefinitely.

The Federal Solution

For the time being, a large majority of Quebecers and other Canadians are against separation. However, they are not in agreement as to what should be the orientation and content of federalism. They can be divided largely into two groups that I would define as the structuralists and the functionalists. As it is quite likely that the federalist option will triumph, it seems to me that the debate between federalists is much more important than the debate on separatism. I greatly fear, however, that, by taking place simultaneously, the two debates will add to the confusion.

The structuralists demand a complete overhauling of federal structures. Some propose reconstructing federalism by recognizing at the outset two distinct communities within Canadian society. But they have not yet defined the constitutional implications of such a distinction.

This thesis is based on the premise that Quebec is not a province like the others. But, who can say that any two provinces in Canada are alike. Ontario and Prince Edward Island are but two extremes of the provincial mosaic. On the other hand, the French and English-speaking communities of Canada certainly differ by their language -- a most important fact -- but their territorial distribution does not respect provincial boundaries; moreover, both their homogeneity and their respective differences can easily be exaggerated. In this respect, Guy Rocher wrote in a recent article: "Under the surface of language and a certain folklore which characterizes it, Quebec is, in fact, deeply influenced by the American civilization". Laval University's professor Marc-André Tremblay came to a similar conclusion after a comprehensive survey of consumer behaviour in Quebec: "Quebecers enthusiastically respond to the call of modernization and adopt new ways of life and new modes of thinking which make them, each day, more similar to other North Americans". So, before the idea of two communities is retained as a practical proposal, those who, like Mr. Claude Castonguay, propose this option, will have to develop it further in order to demonstrate its validity and, also, its constitutional implications.

There are also those structuralists who would like to rebuild our federalism on the basis of Canada's five main regions. This approach cannot be rejected either but, before considering it in greater detail, we should ensure that it is realistic. For instance, it is doubtful that it would be acceptable to the Prairies. As for the idea of an Atlantic Union, it was already being considered in pre-Confederation days. It was brought up a few years ago, only to be rejected again.

Finally, there are those structuralists who propose a vast constitutional rearrangement in favour of provincial governments. This proposal is still quite vague. At the extreme, there are those who propose to turn over to the provinces almost all the responsibilities of the state and to leave the federal government primarily with the task of maintaining the kind of economic association the separatists are advocating together perhaps with responsibility for national defence and a few aspects of foreign policy.

In fact, the structuralists seem convinced that nothing short of a fundamental reform can save Canada. They are searching for a third option, somewhere between separatism and the status quo.

As for the functionalists, while maintaining that they are eventually prepared to rejoin the structuralists, as Mr. Trudeau has indicated, they propose a different approach. They know that provincial governments and their public servants will always want more powers and always wish to extend their jurisdiction without having to increase provincial taxes. However, functionalists do not postulate massive decentralization. They believe that it should take place if it corresponds to the needs and aspirations of the people, but not necessarily if it represents only the goal of a certain number of the elite. To that extent, their attitude is more flexible and more democratic.

In the Canadian perspective, the status quo that is so much discussed these days corresponds much more to a myth than to reality. In fact, our federalism has always been one of the most flexible in the world. Since 1867, we have known four different regimes, within a constitution that has remained largely the same. First, we had a very centralized system within which the federal government exercised all the major responsibilities of the state, the provinces being relegated to the role of large municipalities. After the First World War, the provinces assumed a dominant role within Confederation. The federal hegemony reappeared with the Second World War, but the provinces, especially since 1957, when the formula of equalization payments was applied, again began to play a central role with Canadian federalism.

A few figures illustrate the swings of the pendulum. In 1870, direct federal expenditures on goods and services represented 52 per cent of total government expenditures; in 1926, that proportion was only 26 per cent. In 1950, it climbed back up to 48 per cent to come down again to 25 per cent in 1975. Thus, we are today in almost the same situation as in 1926 which was the golden era of decentralization in Canada. Moreover, in 1926, federal Government subsidies to provinces and municipalities represented approximately 3 per cent of their total expenditures. That proportion rose to 15 per cent in 1950 and to approximately 30 per cent in 1975. This movement served to consolidate the decentralization trend.

Other figures could show just as clearly that Canadian federalism has been in constant evolution and that it has never locked itself in the status quo. The new fiscal arrangements reached in December of 1976 will also accelerate the current movement towards decentralization. The same could be said of the federal proposals made in the late 1960's that were not taken up by the provinces after the failure of the Victoria Conference on the patriation of our constitution. These proposals, including the limitation of the federal Government's spending power, should soon be the object of new negotiations. As Mr. Claude Ryan recently indicated, the decentralization movement began 20 years ago and its pace has accelerated.

Since it appears that even certain experts who constantly refer to the status quo are ignoring the existence of this trend, I believe it is necessary to take stock before we go any further in order to know exactly where we now stand. And we must above all ask ourselves where we want to go. Those who do not already have a pre-determined position that is likely to be too simplistic will not find this question easy to answer.

Personally, I have no objections to undoing and remaking the constitution. However, the experience of France which has played this game so often leaves me rather sceptical. But I am convinced that one should use the present climate to proceed to a constitutional housecleaning, at least in order to eliminate what is out of date, -- for example, the right to disallow provincial laws, -- and to formally recognize what has become common practice for example, provincial access to indirect taxation. It is also urgent to write into our constitution a charter of human and linguistic rights.

The difference of approach between the structuralists and the functionalists in so far as the division of powers between governments is concerned, cannot be better illustrated than by referring to the cultural question. Both groups agree on one major point: the cultural growth of French Canadians is essential. This is an undisputed imperative. In order to attain this objective, the structuralists join forces with the separatists and claim that, the Quebec government should have exclusive responsibility for all cultural policies and the central government should abandon any intervention in this area. Mr. Bourassa had echoed these claims when he talked of cultural sovereignty.

For the functionalists, cultural growth does not mean first the enrichment of the collective personality of the 'nation' but rather the progress of individuals and private groups. Such growth requires freedom but it also needs state support. One must then ask whether this private freedom and this public support will be better ensured if the Quebec government has the exclusive

responsibility for all cultural policies or if it shares that role with the government of Canada. Researchers and artists who are in the forefront of cultural growth have constantly faced this type of problem and, to my knowledge, they always feel freer when they have access to several different sources of financing.

This example illustrates the differences that can exist between those who speak for the collective personality of the 'nation' and those who place the emphasis on individual and private freedom and growth. I hope it will be the functionalist approach that will inspire our examination of current constitutional arrangements. Such an approach is no doubt less spectacular and less satisfying for those who would like to proceed immediately with fundamental reforms, but it is also more realistic and it involves less risk of errors that could prove disastrous for Quebecers.

In my opinion, it would be unrealistic and undesirable to seek a constitution that would be too specific, too definitive and one-sided. Human problems whether they are economic, social or political cannot in most cases be put in separate categories and the solutions they require very often transcend the boundaries or categories originally established. On the other hand, when new problems arise for the state -- and these frequently occur in our era of perpetual motion -- first one level of government then the other will be in a better position to resolve them effectively. That is what explains the movements of the pendulum mentioned earlier that have well served Canadians in the past.

Thus, we must avoid locking federalism into static and definitive constitutional structures that would be incompatible with the constant evolution of our society and the real needs of the population. In fact, in order to remain valid, federalism should not be set in any definitive framework. It must be constantly redesigned and reformed. Henri Brugmans maintains that "Federalism does not consider political action as a method leading to an ultimate objective abstractly defined but rather as an evolving symbiosis, a fruitful interaction". Mr. Jacques-Yvan Morin wrote in the past: "Man's ingenuity and the force of events have created a system which allows to resolve the antinomy of aggregative and segregative tendencies present in the current international society. That formula is called federalism". But the solution of this antinomy, both at the national and international levels, requires that federalism seek constant compromises between both tendencies mentioned by Mr. Morin. It is in this spirit that we should examine the constitutional question.

Moreover, the examination that we should undertake should be made in the light of the problems to be solved and according to the capacity of the various levels of government to bring about

the best possible solution. We have reached the era of the 'global village' during which international events -- such as the risks of nuclear war, population explosion, hunger in the world, cartels of producers of scarce goods, the international pollution of the environment and chronic inflation -- will determine more and more our collective and individual destinies. We should not rearrange our constitution without taking into account all these planetary factors.

On the other hand, in Quebec and in Canada as in other industrialized countries, a new society is being built under our very eyes and at a very accelerated pace. It will make us very different in the year 2,000 from what we are today. This so-called post-industrial society will bring forth new challenges and new problems, most of which will be neither specific to Quebec nor specifically Canadian. Pierre-André Julien, Pierre Lamonde and Daniel Latouche have begun showing us the scenario of the future in a book entitled "Quebec 2001, A Cooled Society". This is but the beginning of a prospective effort that must continue and be intensified. It would not be prudent, in my opinion, to constrain ourselves within a constitutional yoke that would not be adjusted to tomorrow's challenges, which can hardly be defined today.

Finally, the process that will lead to a constitutional rearrangement should be democratic and should take into consideration as much as possible the needs, aspirations and preoccupations of the whole population and particularly of those who are referred to as the non-initiated, the silent majority whose opinion is only known through surveys or general consultations. Many of us, and governments in particular, even in Quebec, have the bad habit of always identifying the priorities they select with those of the population. Such an attitude has caused them and could still bring them very disagreeable surprises and sad awakenings.

For instance, it is obvious that all the energies the Quebec government is now devoting to the separatist cause do not yet correspond to a basic priority of the great majority of the population. Mr. Bourassa realized only too late that cultural sovereignty found little echo among the people. Mr. Lesage's politique de grandeur never reached the average citizen. Those among our bilingual Quebec cultural elite who preach French unilingualism should know that more and more Quebecers have learned to follow the migratory birds to Florida, that the majority of parents want their children to learn English and that tourism, our main industry, could not survive in North America without bilingualism. One day our elite will have to humble themselves enough to get nearer to the average citizen in order to progress with him, while preceding him, rather than to stay far away from him, to propose to him goals that he does not wish and to send him long distance messages that he cannot hear.

By closing this gap, the elite would probably discover, as surveys seem to indicate, that constitutional debates and the centralizing or decentralizing movements at the federal and provincial levels do not really captivate the people. Mr. Lionel Sorel, President of the Union Catholique des Cultivateurs, stated several years ago: "Farmers are practical people, not idealists. Moreover, they want to improve their lot by all possible means, whether the assistance comes from Quebec or Ottawa or elsewhere". I very much doubt that such a mentality has really changed.

Like the citizen of other so-called advanced societies, the Quebecer is now more educated, better informed and more affluent. More and more, he wants to define his own priorities and to achieve his own aspirations. This need to affirm individual personality is clearly seen in every day life. This renaissance of individualism is very positive because the search for happiness must be, first and foremost, a personal quest. This renewal at the individual level extends to the community and regional levels. Such an extension finds its manifestation in the constant growth of citizens' groups within which individuals attempt to assume their own destiny.

These voluntary and grass-roots movements indicate, in my opinion, that more and more citizens find that higher levels of government, federal and provincial, have become too large, too bureaucratic and too remote. What people really want is probably not so much a constitutional rearrangement as a redefinition of the role of the state and a regional decentralization of administrative structures and of decision-making in such a way as to make them more visible and more human.

If such an interpretation of the popular will is valid, governments, both federal and provincial, will have to abandon their tendency to control everything and to spend more and more. Rather, they will have to invent new means of making individuals and their groups not only freer but also more jointly responsible for their own destiny. They will have to take the necessary measures not to extend the public domain but rather to encourage and reinforce a sense of private responsibility. They will also have to attempt to decentralize their services as much as possible and integrate them at the regional level and to adjust their policies according to the real needs of the different regions. In short, the higher levels of government, rather than fighting to take more powers away from each other, will have to agree to give more responsibilities to the people and the means of exercising them. This redefinition of the role of the state and this possible regionalization of administrative structures and policies should be the object of special consideration as we begin the re-examination of our federalism.

Finally, I would like to insist on the need to organize as effectively as possible the process that will be used during that re-examination. I do not think that we should assign this most important task to a committee of wise men. Such an elitist approach would not be democratic and might be unrealistic. However, it is obvious that the advice of experts will be very important and that these experts should be invited to integrate their contribution into the process right from the beginning. At the other extreme, it seems that it would be very difficult to follow the referendum route. However, our re-examination should be collective and rely on the largest possible participation and consultation. Private institutions and groups as well as political parties will have to make their views heard. The media will no doubt have a very large part to play in organizing and feeding the dialogue.

But it will also be necessary to focus the process of re-examination to establish organizations capable of building a consensus and of developing concrete reforms that will improve the constitution and our federalism. In order to fulfil these functions, it has been suggested that special constituent assemblies should be elected. Such a formula does not seem very practical. Such assemblies, in order to be representative, would have to be made up of a great number of people presumably not quite familiar with the rules and procedures of parliamentary debate. They could result in confusion and in a dead end. On the other hand, governments do not have the necessary credibility to fulfil these important functions because they originate from only one political party and they could be seen as biased. The creation of parliamentary committees within the federal parliament, and possibly in provincial legislatures, still appears to be the best formula, provided these committees have adequate means at their disposal and are above partisan politics so as to accomplish their mission with the greatest effectiveness and objectivity possible. Moreover, such a formula would allow us to begin the examination of the constitution and of federalism more rapidly, something which, in the circumstances, would be highly desirable.

Conclusion

It is not an exaggeration to say that we are presently living in historical times. The Quebec government has just proclaimed its linguistic charter. Once again, on behalf of a minority view of the collective personality, that government intends to restrain our own individual freedom and that of others. It is also risking an acceleration of an already serious emigration movement and the drying up of the immigration movement which is already on the decline. This could have dangerous economic effects. Is that really how the government conceives Quebec's grandeur? Is that its answer to Quebec's search for pride? Personally, I am convinced that no ghetto, linguistic or other, can ever be a springboard for grandeur and pride.

The cry for independence has always touched a very emotional cord. Each year on the night of Mexico's national holiday, the President sounds this cry. Once I heard it in Mexico City and I found it all the more moving as it fell upon the silence of misery. But there are those who would have us believe that independence could settle all our problems, eliminate all our divisions and differences. Many years ago, Mr. René Levesque stated: "We have the most marvellous chance in the world to become, with our five or ten million people, a kind of Eden". Such exaltation is not reassuring. President Giscard d'Estaing was more realistic in a recent message to his compatriots when he stated: "The urgency of union preempts the right to be different". It is thus obvious that France, notwithstanding its secular independence and its linguistic and cultural homogeneity, has not yet been able to overcome its dissensions and to realize the dream of Eden.

It should be possible to propose independence without reducing it to the simplistic message of Social Credit. Like all the others, the independentist option should be presented honestly with its two faces, with the vital energies it can engender, but also with its limitations, its costs and its risks. It is certainly not because political decisions would henceforth, be made solely by the Quebec government, instead of being shared with the government of Canada, that Quebecers would immediately be projected into the Garden of Eden. To cite only an extreme example let us not forget that Uganda is an independent state.

Personally, I would prefer for my compatriots the cultural and economic security, together with the guarantees of individual freedom, that Canadian federalism offers. I am proud of being a Quebecer but I am also proud of belonging to a larger country that is the envy of so many foreigners. I am deeply attached to my language and to my culture but I also want to have direct access to that other great cultural current that expresses itself in the English language. I do not claim this privilege solely for myself, as some of our nationalists do. On the contrary, I wish to share it with all my Quebec compatriots who want to benefit from it.


Having said that, I will admit that Canada is not a paradise and that, notwithstanding considerable recent improvements, it is not yet easy to be a French Canadian in this country. I also recognize that our federalism must be modified, even in great depth, particularly if such fundamental adjustments correspond to the general will. But I reiterate with Jean Monnet: "Let us beware of perfectionism". And I add with Saint-Exupéry: "Man's most beautiful mission is to unite men". At this point in time in Canada we have a unique occasion to accomplish this marvellous mission. I trust that we will seize it and channel our most generous energies toward building unity rather than separation.

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A challenge to the spirit of Canadians

Notes for an address to the Convocation,
Dalhousie University, May 12, 1977

by
Gordon Robertson,
Secretary to the Cabinet
for Federal-Provincial Relations



It has long been the custom of our clergy, to search for an appropriate text on which to base the Sunday sermon designed to produce a measure of moral uplift for their flock. I do not plan to deliver a sermon but I do want to talk about a serious subject: our country, which is today in grave peril. I want also to talk about the only thing that I think can, in the long term, save the Canada that we know and love. I believe that that one thing is a degree of greatness and generosity of spirit on the part of all Canadians that we have not shown in the past and are not showing now. My belief is that unless we show it, nothing else we do will be sufficient to avoid, sooner or later, the departure of Quebec and the shattering of our dream of Canada "from sea-to sea". And since, I suppose, this proposition finds me moving into the area of man's attitude toward man, it is not inappropriate for me too to start with a text.

In 1863, the United States of America was locked in a civil war waged between a part of the country that wanted to leave the union and the rest of the country which was determined that the union should be preserved intact. In his Gettysburg address Abraham Lincoln referred to the origins of the United States as "a new nation conceived in liberty and dedicated to the proposition that all men are created equal". He went on to say that they were then "engaged in a great civil war testing whether that nation, or any nation so conceived and so dedicated, can long endure". He called for a new dedication to the purposes underlying the union so that "this nation under God shall have a new birth of freedom" and that the high ideals on which it was founded would not "perish from the earth".

Unlike the United States at its origins, we, in Canada, had no Thomas Jefferson in 1867 to provide an eloquent expression of ideals for the Confederation that was then created. We have suffered ever since from that lack. But our union was produced, nonetheless, out of a situation of crisis and danger in which both the "Canada" of that day - the Ontario and

Quebec of today - and the Atlantic colonies saw a need for union in order to achieve purposes greater than they could achieve in their separate weakness and isolation. But both the Atlantic colonies and the part of Canada that had, before 1841, been "Quebec" or "Lower Canada" were determined that the union would have to be one in which they were not submerged and in which their identity would not be lost. So far as the French of Canada were concerned, the essential thing was that they should remain French. There were nearly one hundred thousand French-speaking Canadians outside Quebec at the time of Confederation - in the Maritime colonies, in Ontario and in the west. Provisions in the Manitoba Act of 1870 about language and denominational education, as well as passages in the Confederation debates, bear witness to the concept some Canadian leaders of the day had of a country in which the two linguistic communities, English and French, would exist together - outside as well as inside Quebec. As George Etienne Cartier put it in 1865, speaking for the French Canadian element supporting Confederation: "We could not do away with the distinctions of race. We could not legislate for the disappearance of the French Canadians from American soil...".

If the United States was dedicated to the proposition that "all men are created equal", many French Canadians believe that we had, among our purposes, the proposition, probably little understood, that two linguistic communities could live together in one country with each respecting the rights, the dignity and the full existence of the other. A major part of our problem today is that, while many French Canadians understood the underlying proposition in that sense and lived up to it in Quebec, where they had the majority, few English-speaking Canadians so understood it and we did not live up to it where we had the majority. Our history for one hundred years in the provinces other than Quebec and in the national scene belied the proposition of equal co-existence - or even of co-existence - of two cultural groups.

At this time of national crisis, we must try to see our history with the eyes of many French Canadians or we cannot hope to understand the bitterness that we see in Quebec today. Nor can we hope to produce the changes that will reduce that bitterness and allow this union of Canada to "have a new birth" and to endure. New or modified constitutions, more delegation of powers, more flexibility in economic policy - all of these are mechanics: important mechanics, but futile if we do not

get at our root problems. Those root problems are not problems of constitution, of legislative powers or even of economics. They are problems of human dignity and of failures - some past, but some present - in spiritual generosity. French Canadians found for years that we, in "English Canada", did not have the generosity to treat them as an equal, self-respecting community sharing all parts of our country and all parts of our national life. They found that we did not even want to treat them with dignity and respect within the confines of Quebec.

How do the relevant parts of our history look to French Canadians? When I went to Quebec in 1967 to spend about six months there, I found that a number of things were very important to Quebecers that I knew little about - and had attached small importance to. An early series of events after Confederation amounted to a betrayal in Manitoba and on the Prairies of the expectation that the west would be as open to the French as to the English culture. The hanging of Louis Riel in 1885 for having tried to protect the interests, cruelly neglected by Ottawa, of the French-speaking Metis of the west was the first devastating blow. The bitterness that caused can hardly be imagined. It was still sharp when Manitoba,

in 1890, repudiated constitutional guarantees and made English the sole language of the legislature, the law and the courts. The use of French in education dwindled as few French-speaking came to what had become a rather hostile place. In the Northwest Territories, as they were left after Manitoba was established in 1870, the population had been almost evenly divided between those who spoke French and English. Legislation in 1877 made official provision for the two languages in the legislature, the law and the courts. The balance of numbers slowly shifted - against the French. In 1891, provisions for the French language were eliminated in the Territories. In 1905, when Alberta and Saskatchewan were created, even the influence of Sir Wilfrid Laurier could not overcome the determination of the English-speaking to provide no place for French in the new provinces. French explorers and French Canadian voyageurs had opened the west; their Metis descendants and French-Canadian settlers had established farms, villages, schools and communities in Manitoba, Saskatchewan and Alberta that had been French from their beginnings. Yet where, in Manitoba, the French Canadians had guarantees, they were repudiated: where they had no guarantees they got none. The dream of a French-Canadian sharing in the development of the new west died - but the bitterness and the sense of betrayal did not.

For a time, hope continued among French Canadians that, if the west was lost, at least Ontario would respect the rights to French education that had been acquired by the many thousands of French-Canadians living there, although the rights were not constitutionally protected as they had been in Manitoba. But those rights were brought to an end by a regulation most of us never heard of - Regulation 17, passed in 1913. Even in Ottawa, the capital of the country, education in French was curtailed. The Ontario of that day set its face against anything approaching equal treatment.

And here in the Maritimes, an area so intimately associated with the French fact from the early years of development of this continent, what was the prevailing attitude towards the large minority of French speakers for the hundred years after Confederation? It is only in recent times that Acadians have really begun to have access to high-school, technical and university education in French. Even cities with 40 percent French-speaking population refused, until very recently, to recognize the French language and culture.

I have, in outline, given a history of the two communities in Canada as many French-Canadians see it. They regard it as a history of all too frequent

repudiation and disrespect for the French-speaking community. And yet, through it all, Quebec respected the rights of the English-speaking community there. Circumstances were different of course: the English-speaking minority was proportionately larger and much more influential. But in Quebec they really did measure up to the concept of two communities. From this great difference of attitude between Quebec and the other provinces grew a sense, by French-Canadians, of being wronged - of being humiliated, insulted and trampled upon wherever the English-speaking were in the majority. A sense too that only in the province of Quebec, a province with a French-speaking majority, could the French community find the respect and the chance to be a community that many had hoped all of Canada would provide. And so they turned inward to their own province of Quebec for the security of their culture, their language and their community.

It is this background, together with the economic domination of Quebec by the English-speaking commercial element, that provided the disillusion and resentment from which separatism has grown. It is from this too that the rejection of Canada even by many Quebecers who are not separatists also developed -

developed to the point where many will no longer call themselves "French Canadians" - they are "Québécois": people of Quebec. The loyalty to Canada shrivelled with the sense that Canada felt no loyalty to them, to their language or to their community. We are paying the price today for a hundred years of failure to do what a strong majority could so easily do - to treat with generosity and respect a weaker and less numerous community that shares our country.

We have, in English-speaking Canada, made some real progress in the last ten years or so. Ontario has greatly improved the provision of education in French and has developed governmental services in that language. New Brunswick, to its great credit, has established the two languages as official and equal in status. At the federal level, the first direct measure was the establishment in 1963 of the Royal Commission on Bilingualism and Biculturalism. We took an important step with the Official Languages Act in 1968. But our experience since these actions demonstrates that laws, regulations or language provisions alone - however well intentioned - are no adequate remedy for our problem. English-speaking Canada has not understood

the reasons for the new languages policy approved by Parliament and pursued by the government. Much of English-speaking Canada has reacted to it with exasperation and even anger. We - the English-speaking - have not been able to understand what an insult it is to every French Canadian to prohibit the use of French for traffic control at Montreal airports - airports in Quebec, the heart of French Canada. It is alleged to be unsafe to use French as well as English - but French Canadians know that both French and English have been used for years in the great airports of Paris with apparent safety. They know too that most countries of the world use two - or more than two - languages in air control. They do not believe that the support in English-speaking Canada for English-only in air control was based on safety alone. They see our backing of the strikes of controllers and pilots in 1976 as proof that "English-Canada" has not changed: that it is as ungenerous and as unwilling to respect the French community as ever.

The measures we have taken so far on language policy have not worked adequately because the, basic attitude of English-speaking Canada has not really changed. It would be as easy as it would be tragic if the action now being taken in Quebec were to prevent the

more positive attitude in English-speaking Canada that we so desperately need. "Bill No. 1" - the new Quebec language law - is the product, in part, of the disrespect to which I have referred and of the resentment it produced. One can hope for some change before the Bill is finally passed into law but the main hope must be in a new confidence in Quebec - a confidence that restrictive legislation is not needed to protect French there because the environment of Canada has become one in which French is accepted and can flourish. Bill No. 1 must not become an obstacle to change in the attitudes of English-speaking Canada. It is rather the measure of our need to change if we want to preserve our country. Are we prepared to do and to accept the things that are necessary to give security and equality to the French-speaking community wherever it exists throughout Canada? Those are the questions before the country today. And time is running out.

To come through our present crisis with some hope of achieving or of preserving the things that are of greatest importance to both sides, our two communities have to do some clearer thinking than they have done so far. I am convinced that there is today on both sides much wishful thinking and much dangerous illusion.

I have already touched on what I think are some of the illusions on the English-speaking side - the illusion that changes of constitution or mechanics will do the trick. One version is that we can preserve the unity of Canada by "decentralization" of powers from Ottawa to the provinces or by a "special status" for Quebec. The decentralization myth is pervasive but it seems to me there is really very little more that can be constitutionally decentralized if we want to retain a manageable country with a manageable economy. We are already one of the most decentralized countries on earth. As for "special status" for Quebec, the question is what may be possible without undermining the essentials of our federal system and its basic equality for the provinces. It is doubtful if we can go very far in this direction without weakening Confederation so seriously as to lead ultimately to the separation that such measures would be designed to prevent. This does not mean that we cannot and should not revise our constitution. We can and we should. We can - if we are willing - effect changes that will provide more effective protection for the French language and culture in Quebec and ensure their flourishing development. We can give greater security to our minority groups everywhere, with equality of treatment and opportunity. We can also provide change and renewal to the operation of our federation generally: a "third option" to separation or the

status quo. But that "third option" must include the increased understanding and the change of attitude to which I have referred. Constitutional change alone, however substantial and significant, will not be enough.

There is a second illusion on the English-side: that we can save our unity by having a French Quebec, where no English is spoken, on the one hand and nine "English" provinces, where no French is spoken, on the other. This proposition has a seductive charm. We would get rid of that wretched problem of two languages and we would live in unilingual bliss ever after. But how would we communicate? What would we do about the minorities now in nearly all our provinces? How would we govern the country? Or would we have two governments? Sooner or later we would indeed have two governments - and two countries. A union of two sharply-drawn unilingual blocs, in each of which the rights of the other community had been obliterated, could not last. It too would be the road to separation.

A third illusion of many English-speaking people is that Quebec will never be prepared to separate because the economic cost will be too great. I find this extremely dubious. It amounts to the proposition that

national unity can be based on economic advantage alone - no matter what offence the situation within that union may involve to human dignity or to cultural values. I do not believe it. Unity has to be based on some sense of common purpose other than achieving a bigger G.N.P. or a fatter pocket-book. There has to be a desire by people on both sides to live together, with mutual respect, in order to achieve things that each community values. If that sense does not exist, and if the Canada of the future seems as cold and as hostile to their language and culture as the Canada of the past has seemed, the French Canadians of Quebec will, sooner or later, prefer to be poorer with self-respect than richer without it. They are a proud people and they are not going to be bought.

I have spoken of illusions on the English-speaking side. I think the most common illusion on the French-speaking side is extremely dangerous. The illusion there is that, if separation occurs - or "independence", as they prefer to call it - it can be accompanied or followed by some kind of "economic association" between the new, independent Quebec and the fractured, divided Canada it would leave behind. I am convinced that this is a dream. The danger is

that those who hold to it or are beguiled by it could walk, still in false security, over the precipice of separation and wake up to reality when it is too late. I would ask those who advance this thesis whether they have considered the emotional attachment most English-speaking Canadians really hold, in the depths of their hearts, for this great, shambling, awkward country? Have they ever thought how those emotions will be aroused by every issue that has to be wrangled about if "independence" is to occur - emotions of love and of pride born of the heroic accomplishment of creating this great, free country from rock and cold and challenge? You do not outrage such emotions and then expect to do a friendly deal. The questions to be faced will be terribly difficult. To suggest just a few - is it all of Quebec that is to leave Confederation? The northern part of the province was not a part of Quebec, either in the French regime or at any other time before Confederation. It was disputed territory between England and France and later it became federal territory. It was added to Quebec only in 1912 by Act of the Parliament of Canada. In most parts of it there are still very few French-speaking Canadians - most are Indian and Inuit. English is the common language. Suppose a majority of the people of such regions vote to stay in Canada. Do

they have a right to self-determination? Or is Canada to force them to go against their will? Will not Quebec be offended to the depths of its being if Quebec is divided? But will not Canada be equally outraged if "Canadians", and a territory that was added to Quebec as a part of Canada, are forced to leave the union? There are other troublesome questions that some people try to gloss over as if they were easy. Not one will be easy. How much of the national debt of Canada would Quebec assume? There would be billions of dollars at issue. Who would own the tracks of the CNR in Quebec, joining "Canada West" to "Canada East"? They will be a life-line for Canada and especially for the Maritime provinces. What rights would "Canada" get to the St. Lawrence Seaway and to passage through it? There are a thousand other questions. By the time they had all been thrashed out, with controversy and argument in press and public, ill-will and recrimination would inevitably be general on both sides. I suspect they would be so great that we would be fortunate to come through the process of separation - or "independence", for it is the same thing - with any shred of friendship or of willingness to cooperate in anything. In such an atmosphere, who really thinks we can coolly and rationally work out something as complex as an economic association? But even if calm logic were to prevail, it is by no means

clear that there would be any adequate advantage to "Canada" in having an economic association with an independent Quebec. It would probably seem better to Canada to retain its freedom to "go it alone" and to pursue its own best interests with its own broad economy than to be harnessed to a partner whose economic interests might be very different.

In short, unless I am quite wrong, the "independence" option proposed for Quebec does not really include "economic association" with Canada at all. It is independence pure and simple. We would be lucky if it were independence without a festering hostility between Quebec and Canada that would make difficult even normal cooperation between independent states.

The question the people of Quebec must consider is whether they really need to incur all the costs and all the risks of independence in order to achieve their essential objectives. We have a highly and mutually beneficial economic association now. It can probably be improved. Quebec has very considerable constitutional powers now to protect its language and its culture and to ensure their strength and growth. Those powers can be used more effectively and they can be

strengthened. Is there any certainty that, in a renewed Confederation, the French-speaking community cannot have a flourishing life of the spirit - all that French culture holds most dear - in Quebec, with added strength to and from the French-speaking communities in other provinces? Unless there is great certainty that these objectives of French Canada cannot be secured, while still preserving our present economic union, it would seem to be the height of folly to incur all the risks - and all the enormous losses - that separation would almost certainly involve.

It seems to me that the best interests of both our communities, English-speaking and French-speaking, coincide in seeking a renewal of our present association within a modified Confederation. We both have so much to lose in a fracturing of this country into resentful, embittered fragments that we both must be prepared to make the adjustments of attitude and the concessions of mechanisms that will avoid it happening.

We should, I think, also try to have more perspective about our problems. If we are seriously concerned about civilization and peace in the world, we have an obligation to see that the destruction of this

Canada of two languages and cultures does not happen. There are some 2,500 languages and dialects on this earth. There are less than 150 states in which to accommodate them. Most of the countries of Africa and Asia are trying desperately to preserve unity and civilized behaviour with linguistic and cultural divisions far worse than ours. Our challenge is not ours alone: it is the challenge of a diverse humanity crowded onto a small planet. Our two peoples in Canada are among the most fortunate in the world - in wealth, education, cultural enrichment and traditions of personal freedom. French philosophical humanism and British Parliamentary democracy are among the great accomplishments of civilized man. We are the inheritors of both traditions in a way that is unique in the world. If we fail - after 110 years of free self-government as one country - who can hope to succeed in solving this basic problem of the human condition? Both our communities must find the greatness of spirit that will accommodate our two languages and our two cultures in mutual generosity and full equality so that Canada can and will endure.

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CANADA: UNITED WE STAND, DIVIDED WE FALL

Remarks by
R. W. Baguley
*Senior Economist, Business Conditions
The Royal Bank of Canada*

before the
ATLANTIC PROVINCES
CHAMBER OF COMMERCE
Charlottetown, P.E.I.
June 6, 1977

As an economic entity, Canada is in a somewhat precarious position. We are the only major western industrialized nation with a domestic market of less than 30 million people. Given this thin population base, the very fact that we can include ourselves amongst the seven major industrialized nations is in itself a remarkable achievement. We have bent the laws of economics to force the natural north-south flows of North American trade into a less natural east-west direction. The Canadian tariff, which is so irritating to citizens in some parts of our country, has partly helped to shelter the domestic market from complete subjugation to foreign production, and has allowed us to develop a highly diversified industrial economy generally self-sufficient in the modern industrial arts, and quite capable of competing both at home and abroad. Confederation has afforded us a considerable measure of political and economic independence from our powerful neighbour to the south.

Although our standard of living might have been higher had we joined the American common market a century or so ago instead of striking out on our own, and although many Canadians have longed wistfully for the more material pleasures which life -- American style -- seemed to offer, the cost of "doing our own thing" has in fact not been large. Canada produced \$8,000 worth of goods and services per person last year. This surpassed the U.S. total of \$7,900 per person for the first time in history. I don't think many Canadians appreciate that fact! Now it is true that in real terms -- after subtracting inflation, that is -- U.S. GNP per person remained 12 per cent higher than it was in Canada in 1976. Real personal income, after deducting income and social security taxes, was 11 per cent higher per person in the United States last year. And real consumption expenditures per person were 14 per cent higher. But the intangibles are missing from these numbers and few would argue, I believe, that the average Canadian suffers by economic comparison with the average American.

These are but crude measures of the dollar cost of being a Canadian instead of an American. They do imply that, all other things being equal, the average Canadian's income and expenditure might be some 10 per cent higher -- were Canada part of the United States. But note that only six years ago, in 1971, the average Canadian's real income and expenditure was some 25 per cent below that of his American neighbour. So, in a mere five years, the gap between Canadian and U.S. living standards has been more than cut in half! It is tempting to speculate that with sound policies and a will to work hard at it, the economic gap could be eliminated entirely in another five years or so.

In case I am accused of manipulating statistics -- a popular game in Canada these days, and one that will probably become even more popular in the days ahead -- let me confess that these comparisons of relative standards of living hinge upon the assumption that Canadian and U.S. prices for similar products and services were equal in the 1971 base period. Or, in other words, that a Canadian dollar went as far in purchasing oranges, haircuts, a house, or a beer in Canada as a U.S. dollar did in the United States, in that same year. If this is not true, then the gap between relative living standards would be somewhat larger than my figures show. Still, it remains true that that gap -- whatever it may be -- has diminished over the years.

Our Future Economic Potential is Bright

This is not just a recent quirk in the recent figures; it is a long-term trend. Because of -- or perhaps in spite of Confederation -- Canada has come a long way in the past 110 years. The question now is where do we go from here?

If we look across the abyss, instead of staring into it, Canada's longer-term prospects remain extremely bright -- brighter, probably, than those of many if not most other nations, including the United States. Consider what we have going for us. Excluding some non-essential items such as citrus fruits, peanuts and coffee, we can grow all of our own food and produce a surplus for export -- a comforting thought in a world where food shortages are becoming the order of the day.

While we have recently lost our self-sufficiency in oil supply, our energy-producing potential in an energy-short world looks very good indeed. We are still harnessing the vast hydro-electric potential of our northern lakes and rivers. The tidal power of the Bay of Fundy is a major resource that has yet to be tapped. We have plentiful supplies of natural gas with more coming under development -- possibly within the next three to five years. We have massive supplies of oil on the scale of the Middle East trapped in the Athabasca tar sands, and while the extraction of this wealth is not quite commercially attractive now, it will become so in the near future just when the oil those sands contain is needed most.

We must surely stand among the giants of the world in our nuclear technology and uranium fuel supplies. And even solar energy is nearly as effective in St. John's as it is in Miami.

On a per capita basis we probably have more natural resources than any country in the world. We have an embarrassingly disproportionate share of some of them -- uranium, nickel, and asbestos, for example. We have millions of acres of timber resources -- a perfectly renewable resource, if we manage them well. And with the prices of synthetic petroleum-based plastics skyrocketing, wood may become far more important in the future than it has been in the past -- just as coal is coming back into the limelight. Nova Scotia and New Brunswick in particular will benefit from these opportunities.

Recent steps taken to extend Canada's territorial fishing limits should in time reverse the damage done to our fishing industry by over-fishing in our waters by foreign nations, and hence restore this valuable resource to its previous importance.

And our human resources are of exceptionally high quality -- skilled, disciplined, well-educated, and able to serve the needs of either an industrial or post-industrial society. As a consequence, in a great many areas, our technology is as advanced as that of any other country. It is probably little recognized that we export half a billion dollars worth of our engineering services each year.

In view of Canada's ample human and other resource endowments, I therefore think that it is unreasonable to be pessimistic about Canada's longer-term economic prospects. There is no reason why the Canadian economy should not be able to expand at a 4 to 5 per cent annual rate over the next decade or so -- even after subtracting a stubborn inflation rate that may average in the range of 6 per cent. On a per capita basis, this sort of economic performance would represent an increase in real living standards of 3 1/2 per cent per year. Prosperity will increase further.

Now it obviously won't happen automatically and certain errors of the immediate past will have to be rectified. The production mix will, for example, have to place relatively more emphasis upon investment and less upon consumption if we are to realize these projections.

But even so, slower growth of current consumption will not be all that hard on living standards, because the population will also be growing more slowly than in the past. On a per capita basis, then, gains in real consumption -- which is what most of us use to measure our standard of living -- need not slow down significantly.

With the slower growth of population and labour force now in prospect, Canada's record high rate of unemployment -- now standing above 8 per cent -- will gradually come down. Our high unemployment rate during the past several years has reflected not so much the inability of the economy to generate new jobs, but rather the fact that our labour force -- the number of persons looking for work -- has been expanding faster than that of any other industrialized country in the western world. As that phenomenon is gradually eliminated, Canada's unemployment rate will decline to less socially-disruptive levels than now exist.

It does appear that we will have to continue to rely upon foreign capital to finance our growing investment requirements. At least 2 1/2 per cent of our GNP or 10 per cent of our total capital requirements will probably have to continue to be financed in the United States or other countries. While this is not out of line with what we have borrowed in the past, the dollar sums do become very large as we move into the 1980's -- in the range of \$10 billion per year on average. Our ability to borrow or attract such sums of foreign capital to supplement our own domestic savings and realize our full economic potential in the years ahead, will depend in no small way on how we Canadians are viewed

by our world neighbours. Will we be perceived as a strong nation contemplating and planning its future with optimism and vigour? Or will we be seen as a fractured and quarrelsome nation dwelling upon the real and imagined injustices and inequities of the past?

Dark Clouds on the Horizon

Everything said to this point assumes a forward-looking and unified Canada. The possibility of the political and economic secession of Quebec poses a clear and present danger to the realization of our future economic potential as Canadians. The idea of secession is not new in Canada; at one time or another, many if not all parts of the country have tinkered with the idea that they might be ahead of the game if they could only throw off "the shackles of Confederation." But it is Quebec which holds the spotlight at the moment. One small segment of her population seems to be willing to scrap its political and economic affiliation with Canada. Another segment of the population is clearly opposed, unalterably, to separation. In the middle lies the vast uncommitted majority which has not yet decided what it wants. It is this uncommitted majority which may well decide the future of Quebec and of Canada.

It is impossible to know what the net benefits of Confederation have been to the various provinces and regions of Canada. Presumably the alternative to Confederation would have been statehood in the United States of America -- and that may still be the only realistic

alternative today. Our forefathers decided that they did not want that option in the last century, and I doubt whether a significant number of Canadians would truly want to exercise that option today. The economic costs of independence from the United States have dwindled away over the years and in the longer run, current difficulties notwithstanding, I truly believe that our future is in many ways more appealing than theirs. The economic penalty will disappear. And the non-economic benefits of Confederation are impossible to measure -- particularly in the narrow sense in which economists measure things. I daresay that Canada would not have the unique and vibrant multi-faceted culture that it enjoys today had we not opted for Confederation. After all, where in the United States can you find the culture and heritage of the Scots in Nova Scotia, the Ukrainians in Saskatchewan or the Inuit in the far north? I believe that the majority of Canadians have a deep urge to preserve a Canadian difference -- this cultural mosaic -- even though they may not be able to define closely just what they mean by it.

As an economist, I am suspicious of the "balance sheet" approach to Confederation that is becoming so popular. Just as the total benefits of marriage may be understated by the family balance sheet, so too may be the total costs of divorce.

One school of thought holds that the economic and political separation of any province within Canada would ultimately result in the assimilation of the disunited provinces of Canada into the vast American union -- most probably under American terms and conditions -- and this applies equally to Newfoundland, or British Columbia, or any province in

between. Curiously enough, the short-run and medium-term economic hardships faced by any province which separates could well result in that province being the first to join. What a paradox that would be! Canadians -- disenchanted with the terms and conditions of the Canadian federation -- being forced into the American melting pot!

Some provincial governments -- particularly those in charge of provinces that at the moment possess economic advantages -- might view the prospect of eventual statehood with equanimity. But their economists should surely point out that, as members of the United States of America, they would be sharing the "economic rents" of their non-renewable resources not only with the poorer provinces of Canada, but also with the fifty states of the American union.

Economic Association

Some argue that the political separation of any part of the country could nevertheless be accompanied by a continued strong association with the rest of Canada -- an association that would preserve, unchanged, existing inter-provincial economic relationships. I find it very hard to be very optimistic on this score for a variety of reasons.

In the first place, human nature being what it is, many if not all of the remaining provinces of Canada might be unwilling to re-negotiate the economic and institutional arrangements that have been so carefully built up amongst themselves over the past hundred years.

Abraham Lincoln, in his inaugural address as the 16th President of the United States of America, said it far better than I can. He said:

Physically speaking, we cannot separate. The different parts of our country must remain face to face, and intercourse, either amicable or hostile, must continue between them. Is it possible to make that intercourse more advantageous after separation than before? Can aliens make treaties easier than friends can make laws?

What in fact is the nature of Canada's economic association today? We are a free trade area in that goods move freely across provincial borders. We are a customs union in that we maintain a common tariff against foreign imports. We are a common market in that labour and capital move freely across provincial borders. We are a monetary union in that we have a single currency, a single central bank and monetary policy, and a single exchange rate with respect to foreign currencies. We are also a fiscal union to the extent that our provinces have surrendered a part of their taxing and spending powers to the central government in Ottawa. We are a federal type of fiscal union in that we have not surrendered all of our taxing and spending powers to Ottawa; had we done so we would be a unitary state like Britain.

Now, what aspects of the current Canadian economic association would the government of a politically-sovereign Canadian province want to maintain? At the most elementary level of economic association, that province might want to preserve a free trade area with the remaining provinces of Canada. However, recent exhortations to "buy within your

own province" and "travel within your own province" don't really seem to be in the spirit of interdependence that a free trade association implies.

Would we have a customs union -- a common tariff against foreign imports? In the case of Quebec, it is common knowledge that the major share of Quebec's manufacturing exports go the rest of Canada -- primarily Ontario -- while the major share of Ontario's exports of manufactured goods are sold in the United States. Quebec might well want to maintain the common Canadian tariff. But would Canada's remaining provinces want to maintain a common tariff to protect those producers against foreign imports, or would they prefer to buy their shoes, shirts, and furniture from the United States? Would the common tariff break down?

Would any one sovereign province want a common market? This implies free movement of labour and capital across boundaries. But the very threat of separation could result in an outward movement of people and money -- which a sovereign state could hardly endure.

Would any one sovereign province want a monetary union? This is a hard question to answer. In order to have a common currency and a common exchange rate against foreign currencies, an independent province would have to adopt a monetary policy in line with that of the rest of Canada. Through sheer weight of numbers it seems that any one sovereign province would be forced to follow the same monetary policy as the rest of Canada -- hardly a stance in keeping with sovereign status.

On balance, it appears to me as an economist that the processes of sovereignty and of economic integration may be mutually exclusive. In the economic history of the world, states which have separated have shown little if any tendency towards greater economic integration. In fact, when you think carefully about it, effective and workable economic integration requires some degree of political integration.

However, there are other dimensions to the economics of the Canadian Confederation. The Economic Council of Canada, in its recent publication titled Living Together, has published a table that shows that most of the provinces of Canada are not in fact all that dependent upon one another in terms of direct economic intercourse. The leakage rate -- the amount by which an increase or decrease in expenditure in one province spills over into other provinces -- is quite small: about 21 per cent for Quebec, 14 per cent for Ontario, somewhat more than this for the other provinces. When you think about it, these low leakage rates are not surprising. Over half of Canada's output is in the service sector and the vast majority of services have to be provided locally. Retail and wholesale trade facilities, financial services, local transportation, and so forth, are all provided locally. Of the remaining production of goods, some of these must also be provided locally. Construction activities, for example, use local labour and local materials when possible -- because of the weight and high transportation costs of importing materials from other provinces. Electric power and other utilities are largely local, as is a portion of agricultural production. Canada's regions and provinces are large and far apart strung out across 3500 miles --

one-seventh of the circumference of the globe -- and faced with high interprovincial transport costs. Under such conditions, it is surely surprising that trade within the Canadian Confederation is as important as it is.

It therefore seems quite possible then that the economic health of what would remain of Canada in the event of the separation of any one province from it may not be that critical -- for those provinces which remain in the union. And if this is true, then the need for the remaining partners in the union to negotiate generous economic links with any seceding province, merely to preserve their own living standards, may be far smaller than some claim to be the case. This hardly argues for a generous divorce settlement.

Indirect Linkages May Be More Important

However, indirect linkages among the provinces may be more vital. For example, the separation of Quebec would obviously break Canada into three distinct geographic areas, cutting off the Atlantic Provinces' geographic link with the rest of Canada. That link, always tenuous, was forged by the Intercolonial Railway in the nineteenth century. In the mid-1800's, Nova Scotia and New Brunswick were seaward-looking colonies dependent upon the free entry of fish into the New England states and upon timber and shipbuilding for the British and U.S. markets. All that stopped when Britain abolished imperial preference and adopted free trade, and the United States abrogated the Reciprocity Treaty of 1854. Confederation was supposed to alleviate this critical

situation by providing the Atlantic region with access to the inward market of central Canada which had a population of three million in 1867. We would have to admit that strategy has only partially succeeded.

An accentuation of the already large transit and communications distance and problems between the Atlantic Provinces and Canada's other provinces would raise all sorts of thorny and technical issues. Presumably, dozens of treaties and agreements would have to be negotiated simply to restore what already exists. I can think of no less productive an activity in which to involve the time and energies of all Canadians.

United We Stand, Divided We Fall

The gist of my economic argument is easily summarized. In the first place, Canadians today enjoy a real standard of living that is nearly as high as that of our American cousins. All parts of Canada have enjoyed that prosperity. The gap that remains is narrowing rapidly, and could well disappear in the near future -- even though within Canada there are unacceptable differentials which remain. In large measure, the size of these differentials has been partially removed by generous transfer payment mechanisms from the rich to the less rich regions. And within the context of our Confederation, all Canadians have preserved and nurtured our various cultural heritages, apart from the American melting pot. And our future economic potential continues to be very bright.

The direct economic interdependence of Canada's regions and provinces is perhaps less close than is commonly perceived to be the case. In many respects, Canada is more of a political association than an economic association. The case for economic association in the event of the separation of Quebec or any other province is not a terribly strong one from the point of view of the remaining provinces -- and the rationale for economic association from the point of view of a government that wants to maximize its political sovereignty from the rest of Canada appears to be weak. If any province wants to go it alone, it may truly have to go it alone.

Finally, I would mention the real possibility that the separation of any one part of Canada could hasten the integration of all regions of Canada into the United States of America. If that is what we Canadians want, then so be it. But I do not believe that is what we want. While the advantages of joining the United States on the economic front are doubtful at best, we would surely lose heavily on the cultural and language fronts.

No matter how you slice it, looking strictly at the economics of the case, Canada is stronger than the sum of her parts. United we stand and divided we fall.

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" QUEBEC AND CANADA: A UNION WORTH PRESERVING"

Address by the
HONOURABLE MARC LALONDE
Minister of State for
Federal-Provincial Relations

To the Société Saint-Jean Baptiste of Québec
Québec City, October 29, 1977

Ladies and Gentlemen:

I have been invited to speak today before the Saint-Jean-Baptiste Society of Quebec, an association which has devoted itself to the advancement of the French Canadian society. There are many ways to promote the interests of the Francophone community in this corner of North America. Yours has been to develop the special character of our French Canadian culture, specifically at the local and provincial levels. This is an essential task which must always be supported, especially on this predominantly English continent.

Collectivities, however, are not isolated entities. Today, we are witnessing all kinds of associations and contacts between peoples and international organizations. It has become quite rare for individual groups or cultures to remain closed societies. They must attain a state of solidarity with other groups or societies. We could say that this is one of the major problems of our time: how can institutions, which are often outdated, adapt to the political, economic and military situations which extend beyond the boundaries of nations? The European Common Market is meeting this challenge in its own way. Canada, however, paved the way in this area more than one hundred years ago.

The work of the Saint-Jean-Baptiste Society in promoting a particular culture is an essential task. It is just as essential for the survival, development and vitality of a culture to participate actively with other cultural groups in the larger economic and political framework within which the various groups have common interests.

Each group has a valuable contribution to make. In Canada, the French culture is a primary element of the Canadian identity, enabling it to have a distinct personality from that of the neighbouring American giant. In this sense, we could say that if the French factor were not present in this country, we would have to create it. Therefore, it should always be the concern and responsibility of the central government, which officially recognized the two languages, to truly make use of both languages within the federal institutions. It is also imperative that all Canadians become aware of the extent to which the developing of our two main cultures is an integral part of the future of our country and our national identity.

Different collectivities almost always join together more by reason of objective necessity than strong sympathy. We should not however carry too far the cynical statement of a nineteenth century author who said that in politics as in love, there are no peace treaties but only truces (Lévis, *Maximes et Réflexions*, 1808).

Sometimes, the tensions that occur between the two main Canadian cultures seem to justify the pessimism expressed by that author. In all fairness, however, we should add that the habit of living together and the entanglement of common interests have resulted in compromises and understanding between different groups, without which no nation could survive. The objective facts combined with common material interests are really what produce this subjective understanding between different groups.

Factors leading to federation in 1867

What kind of objective facts led to the creation of the Canadian federation in 1867 and continue today, more than one hundred years later, to weigh in favour of the union of the various regions of this country and its two main founding cultures? These facts are geographic just as much as economic, political and cultural. To ignore these facts in the name of emotional slogans would be to doom to failure an essential common enterprise which can only be founded on good sense, compromise and reason.

It would be false to claim that the federal regime in 1867 was a means of assimilating French Canadians as some articles and statements by the Parti Québécois have alleged. The 1867 federation brought real progress to French Canadians compared to the Union Act of 1841. As opposed to the previous regimes, that of 1867 granted independence to Quebec in the vital sectors of education, civil law and local institutions. Quebec at the time was actually the reason why the 1867 regime was not a legislative union (unitary regime) as advocated by Macdonald, Tupper and Lord Monck. Rather, it was a federal regime as advocated by Georges-Etienne Cartier.

Canon Groulx who was a leader in the nationalist history of Quebec, nevertheless stated in this regard that the only advisable and acceptable solution for Lower Canada was to join a federation of provinces in British North America and to include the other English provinces in the new Alliance — therefore, in 1867, Lower Canada which had become Quebec recovered its individuality.

It might be useful here to review the factors which led to the union of 1867 if only to recognize the similarity of conditions which today favour the maintenance of a strong Canadian solidarity.

Military security

As I mentioned earlier, it is rare for different societies to freely give up part of their sovereignty to join larger economic and political entities. The desire to gain strength from within in order to resist some military threat from restless neighbours has been an important factor in the creation of several federations throughout the world.

Canada is no exception. The American War of Secession which caused some one million deaths among our neighbours had a considerable impact on this side of the border. Various incidents between England and the United States during the American Civil War made us fear reprisals in the British colonies of Canada. In 1864, the year of the Quebec conference which was to give rise to the Canadian federation, Macdonald learned that the Irish Fenians were training in New Jersey with the intention of crossing the Canadian border in mid-January 1865. Some American attacks took place on Canadian territory in 1866 in the Fort Erie and Niagara River area as well as in New Brunswick.

The reverberations of the American Civil War felt in this country were of great concern to Canadians from 1860 to 1864. This concern grew after 1864 as a result of rumours of invasion, especially since the United States had considerably increased its military strength during the war. Another source of concern was the fact that the British government had just abandoned its imperial control over the finances of the colonies which were thus placed in the position of having to provide for their own defence. The Canadian provinces needed some kind of common protection and this was one of the arguments which overcame most of the Maritime opposition to the proposed union.

Westward expansion

This was not the only area in which the presence of strong American neighbours had a unifying effect in Canada, which demonstrates again that different groups unite less for purely idealistic reasons than for real concrete reasons. The thrust of the United States towards the West gave it an increasingly strong presence in that area. However, Canadian presence in the West was weak and poorly-maintained at that time. Canadians were fully aware that unless they established permanent ties with the fertile colony of Red River, they ran the risk that the Americans would fill the gap in Western Canada.

This link with Western Canada became possible with the introduction of the railroad at the beginning of the industrial revolution. However, railroads were expensive. Only the pooling of resources through the union of the Canadian provinces would permit expansion towards the West before the Americans.

Unification of the domestic market

A third factor which led to the union of the provinces, in the absence of an alternative solution, was the need for access to commercial markets beyond the boundaries of a single province. Between 1846 and 1849, England abandoned its tariff privilege policy which had favoured the entry of colonial products in the British market. Canadians wasted no time in looking for a substitute market in the United States. This led to the reciprocity agreement whereby a certain number of unfinished products could be freely traded between the two countries. The reciprocity agreement ended in effect with the War of Secession in 1860.

The provinces had no alternative but to create a true union among themselves in order to guard against the instability of exterior markets. They were already committed to such a union. The St. Lawrence waterway practically made it necessary for Upper and Lower Canada to unite in 1841. Furthermore, in 1850, the provinces adopted laws which established free interprovincial trade for a number of natural farm and forestry products. However, processed goods remained subject to tariff restrictions and this created obstacles to trade between the provinces. Without a customs union, in 1867, there was only partial free trade between the Eastern provinces which formed a market of nearly four million people.

The importance of creating a common market became evident as the industrial revolution began to show its characteristics: division of work, complementarity of resources and needs, expansion of trade. In order to achieve this, it was necessary for the provinces to enjoy an expanded domestic market free of trade restrictions. This close economic union in turn required a political union.

Regional and ethnic diversities

We now come to another fundamental element of the Canadian situation, which was of prime importance as early as 1867: Canadian disparities which are of two types, regional and cultural (or ethnic). Despite the efforts of certain politicians who favoured the unitary system in 1867, this system was never adopted for two reasons: 1 — The Maritimes insisted on retaining their regional identity; 2 — French-speaking Canadians insisted on retaining their cultural identity. The federal system was essential to reconcile the pressing double need for unity and diversity which was felt over one hundred years ago and which is felt even more strongly today.

The circumstances which led to the creation of the Canadian federation are still present in our country today. We have briefly outlined some of these circumstances but let us summarize them again as they are an integral part of our national history: 1 — The necessity to maintain a solid east-west union in this country in order to avoid progressive absorption by the United States today as well as yesterday; 2 — The necessity to maintain even more in the post-industrial than in the pre-industrial era, a unified economic market of some twenty-three million people while most of our trading partners operated within markets exceeding a hundred million people; 3 — This close economic union between the Eastern and Western provinces was entered into voluntarily and can only be maintained by a close political union; 4 — Unlike the unitary system which would consider only unity without regard for regional and ethnic disparities, this political union cannot be too inflexible neither can the Union be too loose such as the Confederation of States or the Sovereignty-Association of the Parti Québécois which considers only diversity without regard for the basic requirements of unity.

How federalism met the challenges facing the country

Let us now examine how the system we have adopted has met the great challenge it had to face, how it has created solidarity among Canadians from all regions of the country and between our two main cultural groups, a solidarity that could not be dissolved without great damage.

National Territory

First, the national territory rapidly became a more concrete reality after 1867. Limited mostly to the Eastern provinces until then, it rapidly expanded towards the West. The railroad made it possible for a vast nation with a low population density to expand westward. At the same time, railroad construction and the supply of finished products to the West, protected by Canadian tariffs, permitted industrialization especially in the two central provinces. Manufactured goods from Quebec and Ontario were sent West by rail while Western wheat arrived the same way in Eastern ports from where it was shipped to Europe.

The colonization of the West, while creating new areas of economic activity, gave rise to the creation of the three Prairie Provinces and British Columbia became directly connected with the rest of the country. We thus gained access to three oceans: the *Atlantic Ocean* by which the European colonizers arrived – we have always maintained economic relations with the European continent and are strengthening these relations with the signing of an agreement with the European Common Market; the *Pacific Ocean* which opens the way to the Orient and has made it possible for Japan to become our second largest trading partner after our neighbours to the south; finally, the *Arctic Ocean* which gives us access to the vast but largely untapped natural resources of the Great North.

By pushing the development of the national territory westward, the federal union of 1867 made Canada the second largest country in the world after the Soviet Union. There is more to this than a vague and ostentatious title of glory.

The size of a country is a significant factor in the diversity and wealth of its resources. As a state-continent, we have windows on all corners of the world. This is a valuable asset at a time when intercontinental trade relations are expanding and a vital asset for Canada which has one of the highest export rates per capita; our exports represent one quarter of our national production.

To divide the country would be to split up a vast territory which communicates with the rest of the world by its extremities. The separation of Quebec, for example, which would make this province an independent State and therefore an independent national territory, would not only cut this province off from the Maritimes and the Western provinces, but it would isolate the Maritimes from the provinces west of Quebec. Therefore, without strong east-west ties, in the event of separation, we would run the risk that first the Maritimes and then the rest of the country would form north-south bonds which would eventually lead to the end of the country.

To split up this vast territory would therefore show flagrant irresponsibility. The national territory provides all Canadians wherever they may live the cumulative advantages of avenues to all corners of the world and the complementarity of national resources from one region to another.

Natural resources

Our national resources are a good example of this aspect of the Canadian situation and the Great North which not so long ago was compared to a desert is also a good example of the diversity of resources in a vast territory. This part of the country located above the 60th parallel contains 40% of the natural resources of Canada and we have just begun to exploit them. Indeed, the Great North contains:

The North

- what is probably the largest reserve of drinkable water in the world; Canada contains one third of the drinkable water of the world and 50% of this water is found north of the 60th parallel. Drinkable water has become a precious commodity in our era of intense urbanization. Some even consider it to be the most important resource of the future. The time may come when pipelines will carry drinkable water from the Great North to the large industrial centers of North America.
- The Arctic and Northwest Territories contain half of the hydraulic power of Canada, a potential not yet developed.
- The potential oil reserves in the Great North are estimated at some 45 billion barrels, that is approximately one tenth of the oil in the Middle East.
- Natural gas reserves in Canada are estimated at 724 trillion cubic feet, 260 trillion of which are in the Arctic Islands and 90 in the Yukon and Northwest Territories.
- The iron ore deposits on Baffin Island are among the richest in the world.
- The Yukon contains large deposits of iron ore, asbestos, copper/zinc and lead.

The Yukon and Northwest Territories located above the 60th parallel make up 35% of the Canadian territory. Their area is larger than those of Quebec, Ontario, Manitoba and Saskatchewan combined. The resources of the Great North are exceeded only by two or three other areas in the world. These resources belong to all Canadians including those of Quebec. The wealth of Canadians in all the provinces is inseparable from this vast northern potential which assures this country a promising future, barring some inconsiderate action.

Energy resources

It is well known, however, that our natural resources are not limited to the Great North. As far as energy is concerned, Canada is the only industrialized western country able to be self-sufficient in this area. Alberta's oil reserves are of course depleting rapidly and those of the Great North remain to be discovered.

However, according to a study by the Alberta Energy Resources Conservation Board in 1973, the tar sands of Alberta contain a total of 1,000 billion barrels (that is more than double the total Middle East reserves). Out of this amount, 250 billion barrels are recoverable using known technology.

We should add that, in addition to the natural gas in the Arctic, Canada has the largest coal reserves in the world after the United States. The transformation of coal into liquified gas offers new opportunities that are costly but likely to be developed in the future. Finally, our country contains one third of the world's known reserves of uranium and thorium which are valuable minerals for nuclear energy.

This energy potential makes Canada a privileged country in which to live. All regions of the country are obviously not equally endowed in this regard, but as parts of Canada, they can count on the energy available in the other regions of the country.

As for Quebec, it ranks first in Canada in the production of hydro-electric power. It supplies 45% of its energy needs by electricity. Oil makes up 51% and natural gas 4%. The province has no oil resources, hardly any natural gas or coal and its uranium potential is quite limited. Quebec is therefore in the same position as many of the other provinces. It continues to rely on energy resources from the rest of Canada or from other countries. The drawbacks or disadvantages vary from one kind of dependence to another.

Dependence on foreign countries is a matter of concern both in terms of cost and availability of supplies. The Middle East war between the Arab countries and Israel in 1973 led to the restriction of oil exports and a spectacular rise in prices which quadrupled within one year.

Canada was able to avoid or at least lessen the impact thanks to western oil from Alberta. The other Canadian provinces which consume oil were assured of oil supplies and a gradual price increase. During that critical year in 1973, the central government fixed the domestic price at \$6.50 per barrel compared to the international price of \$10.50 per barrel.

Quebec which continued to obtain its oil supplies from the Middle East thus received a subsidy of \$4.00 per barrel. Quebec was also able to compensate for the reduction in exports by the OPEC countries by obtaining Alberta oil through various means of transport. The oil crisis caused the Sarnia-Montreal pipeline to be extended and Alberta oil now meets half of Quebec's oil requirements.

As a result of the fixed domestic oil price, Quebec received \$2 billion of the \$3.4 billion in subsidies paid by the federal government between 1974 and 1976. The subsidies allowed Quebec and the Maritimes to pay the same price for oil as the provinces which obtained their oil from Alberta. These subsidies maintained oil prices at the consumer level at 13 to 18 cents per gallon below international prices between 1974 and 1976.

During the past few years, the oil consuming provinces have enjoyed the advantages of being connected to the western oil fields within our national territory. These advantages will be even more attractive in the future with the more intensive development of the tar sands. World oil reserves are being depleted, international prices can only go up and the oil producing area of the Middle East remains one of the most explosive in the world. Without national resources, the rationing of exports by oil producing countries or a complete embargo would have serious consequences around the world, especially in a cold country like ours where oil is essential for the heating of our homes.

The argument by the Parti Québécois that Ottawa has favoured Ontario over Quebec during the past fifteen years by dividing the Canadian market between the East and the West is wrong. The fact is that the Borden line forced Ontario to obtain its oil supplies from Alberta in order to maintain production in the western oil fields. Prior to 1973, Ontario paid higher oil prices than Quebec which obtained its oil from Venezuela and the Middle

East. Now that international oil import prices are higher than the Canadian prices, Quebec and the Maritimes pay the same domestic price for their imports.

It is clear that as a non-oil producing province, Quebec has the undeniable advantage of belonging to one of the rare industrialized countries able to be self-sufficient in energy. This position is envied by countries around the world.

Minerals and Agriculture

As far as minerals are concerned, Canada ranks third in the world after the United States and the Soviet Union. However, these two superpowers with their large populations consume almost all of their mineral production. Canada, on the other hand, consumes only a fraction of its mineral production.

The same situation occurs in large-scale farming. Canada provides 20% of the world's exports in wheat and 7% in secondary cereals. The world population is constantly growing and areas reserved for agriculture are becoming limited. Food products are therefore destined to become a precious commodity in the near future.

Canada is probably the country with the broadest range of exportable natural resources. Most of our large trading partners are looking for resources which are available from us. We are therefore in a very strong position for developing trade relations with other countries. The negotiations carried out by the federal government benefit all parts of Canada. Each province, taken individually, does not possess all the natural resources sought by other countries, but each province can benefit from the collective national resources to negotiate favourable outlets for the goods it manufactures for export. This is an excellent example of the advantages of Canadian solidarity. To divide the country would be to deprive us of this reservoir of common resources available to us all.

Exchanges of industrial products

The complementarity of natural resources is obviously an advantage for all regions of the country, all the provinces, in our trade relations with other countries, but it is just as important for our domestic economy. As I mentioned earlier, the industrial revolution brought about the establishment of a single market across the country and thus promoted regional specialization of production.

Thus, the two central provinces, Quebec and Ontario, supply 78% of all the manufactured goods shipped between the provinces. On the other hand, the rest of Canada has strived to take full advantage of its natural and agricultural resources.

This specialization of production necessary for the concentration of enterprises and the reduction of production costs referred to as "economies of scale", is essential for industrial development and for the competitive position of our products in Canada and abroad. A good part of Canadian industrial development took place under the shelter of the federal tariff policy. The allegation by the Parti Québécois and others that the Canadian tariff policy was adopted to favour western agricultural production is wrong.

The truth is exactly the opposite. The tariff policy was adopted in Canada to protect first and newborn industry and then the less competitive industrial sectors which employed a large portion of the labour force.

In this respect, Quebec is far from being treated unfavourably. The textile, clothing and shoe industries which are concentrated in Quebec are the most protected industries of the country. Tariffs exceeding 20% apply to 61% of the Quebec industrial sector. The other provinces thus pay a higher price for these Quebec goods than for the goods imported from abroad. The present situation is that, despite the high tariffs in the sectors I just mentioned, goods from foreign countries with low labour rates are succeeding in various degrees in penetrating the Canadian market. Nevertheless, 25% of the Quebec labour force is employed in heavily protected industrial sectors and Quebec remains the chief beneficiary of the tariff measures imposed in Canada. It is evident that, should Quebec separate, it could not force the rest of Canada to pay more for many of its products than foreign prices.

With respect to the disposal of industrial production, Quebec has close ties with the rest of Canada. It exports 30% of its industrial production to the rest of the country. Consequently, 37% of employment in the Quebec manu-

facturing industry is related to shipment of goods to the other provinces. The largest industries in Quebec export much of their production to the rest of Canada. The twenty largest manufacturing groups in Quebec export 90% of their production to the rest of the country.

We can see how Quebec and the rest of Canada are interdependent; the rest of Canada exports 14% of its industrial production to Quebec. However, Quebec remains dependent on the rest of Canada with respect to the labour force employed in exports which, in the case of exports to Ontario, is three times higher than the labour force employed in Ontario for exports to Quebec. The separation of Quebec would affect the whole country but Quebec would stand to lose the most.

Redistribution of revenue

The national solidarity which is demonstrated in the area of natural resources and interprovincial trade is also present at the social level. Social security and equalization payments are the chief tools of transfer payments between individuals and the provinces.

The stated purpose of equalization payments is to maintain a minimum of equality across the country between the rich and the less fortunate provinces. The central government is the instrument of such transfers. It makes payments from the federal taxes collected in each province to those provinces whose income falls below the national average. In 1976, Quebec received \$1.1 billion out of a total of \$2.2 billion in equalization payments made by Ottawa to the provinces.

These transfer payments also apply in the area of social security. We could even say that this is a double transfer: it takes place from rich to less fortunate people and from rich to less privileged areas. Indeed, the more underprivileged an area is, the less taxes it pays and the more social security and unemployment benefits it receives. Since the average income in Quebec is 10% below the national average, it receives at least an equivalent share of equalization and social security payments.

This aspect of transfer payments is easier to understand than all those accounting disputes about the benefits of federalism to the provinces. From the strict accounting point of view, which does not consider the general situation such as belonging to a large rather than small market, Ontario would have more grounds for complaint.

The document tabled at the time of the 1975-1976 Ontario budget indicates that Ontario, British Columbia and Alberta which recorded a surplus contributed almost two-thirds of the national revenue but received only half of the federal expenditures. According to the same data, Quebec contributed 21% of the total federal revenue and received 25% of Ottawa's total expenditures. The same document estimates that, in 16 years, from 1961 to 1976, Ontario contributed to the federal Treasury \$26 billion more than it received from Ottawa. This \$26 billion was redistributed among the other regions of the country.

If any province is treated unfavourably in this area, it is certainly not Quebec. However, even if we assume that Quebec is treated unfavourably by the distribution of federal expenditures and revenues, it would not be a reason for breaking up the country. Ontario, before any other province, would have grounds for separation from Canada. Considering the advantages derived by the industrialized provinces from the Canadian market, it would be pure short-sightedness to opt for separation.

Even if we were to admit that a province is truly treated unfairly in the distribution of expenditures and revenues of the central government, the thing to do would be to produce conclusive figures and demand a change in this distribution rather than to resort blindly to extreme solutions. There are recent examples of the feasibility of such changes in the distribution of federal expenditures among the provinces.

There was no regional development policy in the country prior to the 1960's. Since then, a policy of this type has made it possible to transfer funds to those provinces with the most noticeable regional disparities. In 1965, the Canada Assistance Plan was amended to provide more assistance to the poorest provinces. In the past fifteen years, the equalization system was improved several times in favour of the less privileged provinces. Finally, more recently, in 1977, the plan for financing health programs introduced a new financing formula based on tax points

equalized with the national average and on per capita payments. Since the tax points in Quebec fall below the national average, Quebec receives a greater share of the federal revenues.

These are only a few of the many examples which demonstrate the feasibility of modifying federal policies affecting the provinces and changing the distribution of income across the country. In this respect, the radical surgery advocated by the Parti Québécois is uncalled for for two reasons: first, it is wrong when it states that Quebec is the loser in dealings with the central government; secondly, the proposed measures are disproportionate to the solutions required — instead of modifying existing policies, assuming that they are inadequate, the P.Q. proposes to split up the country. All things considered, it proposes to kill a fly with a cannon.

On the basis of the P.Q.'s allegations, Ontario, British Columbia and Alberta would be the ones justified to leave the Canadian federation on the grounds that they contribute more to the federal Treasury than they get out of it. This would mean that, because of their prosperity, these provinces would have to put an end to the advantageous relationships they maintain with the rest of the country.

Essential role of the federal government

It is obvious that the various forms of transfer payments between provinces would not be possible without a central government. This minimum equalization of income is indispensable for Canadian unity. Canadian unity could not survive wide disparities between regions. In order to be able to carry out this essential role of redistributing national wealth, the central government must necessarily have adequate revenue. Our federation is presently one of the most decentralized in the world. I have even heard Mr. Parizeau argue that Canadian federalism is too decentralized. If the reduction in federal revenues were pushed too far, the federal government would no longer be in a position to make a desirable redistribution of the national wealth. Even more importantly, it would no longer be able to use fiscal policy as a chief means of maintaining economic stability.

To claim status quo with respect to our system is to have a poor knowledge of how it really operates. Centralization and decentralization are vital aspects of a federal system. Since 1867, we have sometimes stressed one aspect and sometimes the other in Canada. The variations in federal and provincial expenditures are the best indicators of periods of centralization and decentralization in our country.

In 1870, direct federal expenditures in goods and services amounted to 52% of government expenditures. The provinces gained power in the 1930's: in 1934, direct federal expenditures dropped to 31.6% compared to 68.4% for the provinces and municipalities. The central government regained power at the beginning of the war: it became responsible for 83.5% of government expenditures. In 1950, federal expenditures dropped to 48% of the total. In 1975, as demonstrated by Senator Maurice Lamontagne, direct federal expenditures were only 25% of total government expenditures (excluding transfer payments to individuals and the provinces). We have thus reached a peak period of decentralization in our history.

Our system is so flexible that, without amending the Constitution, we have been able to adapt to circumstances which have shaken the world during the past one hundred years: the industrial revolution, economic crises, world wars. It is evident that, for us, the federal system is the most flexible system found to date which enables us to cope with an ever-changing world. It would be a pessimistic overstatement to say that the federal system no longer meets the needs of Canadians.

Sovereignty-association: organized inefficiency

The independence proposed by the Parti Québécois, by abolishing the central government, would create a void which would then make it impossible to redistribute revenues between regions, at least between Quebec and the rest of Canada. Quebec could be the biggest loser in this event. There can be no mistake about it, the sovereignty-association discussed by the Parti Québécois is nothing but a hoax, a smoke screen to mask independence.

The other provinces have not been fooled; all of the provincial premiers have stated firmly that they reject the P.Q.'s sovereignty-association. Would they agree to an economic union without political union in a country where interdependency is already so strong? A workable economic union supposes a common currency. It also requires a common fiscal and tariff policy. How could such a close economic union survive without political union? The European Common Market which marked time these past few years because it lacked a political union is now

moving towards political integration especially with the election in 1978 of the European Parliament by direct universal franchise. This is further evidence of the necessity of complementarity between politics and economics.

To confuse things further, Premier Lévesque recently connected the sovereignty-association with the transformation of Canada into a so-called "true" confederation... but only once Quebec has formally obtained independence. This proposition is no more plausible than the first. A common political experience has been to state that the nature of a confederation of states is either to become dissolved or to become a federation. The United States from 1781 to 1787 and Switzerland from 1813 to 1848 were confederations of states prior to becoming federations. We have yet to see a federation regress to a confederation of states. The disintegration of a federation is a serious matter for a nation, which leaves no room for vague associations in which one of the partners believes that it can retain all the advantages of the union without assuming any of the responsibilities.

We must therefore examine more closely the P.Q.'s promise of a sovereignty-association. The tactic here is an obvious trick. The Parti Québécois knows that the majority of the population in Quebec does not want separatism. Therefore, it proposes a solution which would lead to separation indirectly. Quebecers should not allow themselves to be deceived.

The federal system is not perfect. We would have to be blind not to notice that injustices have been committed against certain regions or groups, starting with the French Canadian community. However, in case we believe that we have been the only victims of injustices, just think for a moment about what has happened to the Indians of our country since its origin. Again, the solution is not to split up the country but to fight and correct these injustices.

At a more theoretical level, we should also recognize that the federal system can sometimes cause the duplication of functions. Conflicts between the two levels of government are inevitable and compromises must be made continually.

Importance of maintaining the Canadian identity

But this is true of any complex body. Any living body that has attained the slightest degree of development has different functions; each organ has a specific task to perform. This division of functions into various sectors of activity and their integration into other sectors is necessary to meet the various needs of societies which are becoming increasingly more complex.

Federalism is mostly a phenomenon of the XIXth and XXth centuries. It occurred approximately at the same time as the industrial revolution and democracy. The first required vast markets and the specialization of functions and the second required the division of power among states in order to allow individual characteristics to survive.

DeTocqueville understood well the merit of the system when he said that small nations are often unhappy not because they are small but because they are weak, and large nations prosper not because they are large but because they are strong. Strength is often a primary condition for the happiness and even the existence of nations. DeTocqueville drew the striking conclusion that the federal system was invented to consolidate the various advantages of the greatness and smallness of nations.

Has federalism been the downfall of French Canadians as some have alleged? Let professor W.H. Riker, an eminent American author on the subject of federalism answer this question. According to him, the chief beneficiary in Canada since the beginning has been the French Canadian minority whose early dissidence provided the opportunity to adopt federalism and still justifies its maintenance today.

The best evidence that federalism has not destroyed the French culture in this country is the fact that this culture is as vibrant as ever to the extent that English Canada is sometimes envious of this cultural abundance. Would a dying culture have been able to force on the rest of the country a reevaluation of the French fact in its favour as was done a few years ago? The proclamation of the official languages is an example of this. Another is the progress made in federal institutions where our two main language groups are now more adequately represented.

During the past twenty years, the vitality of the French culture has been much in evidence in this country in the areas of poetry, fiction, theatre, songwriting and cinema. To what extent federal agencies such as the CBC, the National Film Board and the Canada Council have been of primary importance in this remarkable cultural activity remains to be known. However these federal organizations have been largely responsible for the popularity of our intellectuals and artists. Nothing prevented the Quebec government from also promoting the French language and culture in the province. I repeat, this culture is an essential ingredient of our national identity.

Canadian diversity is the very foundation of our national identity. We have been lucky enough to have inherited two of the greater universal cultures. To be deprived of any one of them would be a great loss to us. Diversity does not only exist at the national level, but also in the provinces. The presence of French minorities is also felt in the provinces which border Quebec, especially in New Brunswick and Ontario. On the other hand, Quebec has a greater English-speaking population than the Maritime provinces combined. Such fundamental facts about our national existence could not be denied by a simple stroke of the pen or legislative act.

Allow me to point out here that the French Canadian politicians who have chosen to work at the federal level have an essential role to play within our system. I cannot accept allegations that they have "sold" themselves to the English Canadian majority. Quebec cannot withdraw within itself. Because of its strong interdependence with the rest of Canada, French-speaking Canadians must be adequately represented at the federal level and they must participate sincerely and actively in the life of the whole nation. A chilly withdrawal would not be a sign of health but a sign of anemia.

Quebec has nothing to gain by fearing everything outside of it, especially its closest neighbours with which it shares a common experience. Yet, we have the feeling that for some time now attempts have been made within the Parti Québécois to intimidate political opponents. Any remark against separatism is seen as "intellectual terrorism" or "economic terrorism". There is talk of plots by businessmen, of organized resistance to Bill 101, of Fort Chimo Inuits on the federal payroll, and much more.

We must realize that the P.Q. is exploiting fear to the point that it is spreading paranoia in Quebec: anything foreign to us is a threat to our survival.

Individual freedom has always been persecuted throughout the world in the name of "sacred" values such as class, race or culture by exploiting collective fear. We should beware of following the same slippery road.

In this respect, federalism is the bulwark of our individual liberties. With the division of power between two levels of government, it protects us against the restriction or loss of liberties. The old saying that you shouldn't put all your eggs in one basket still applies and is true in Quebec more than ever.

All the elements of a society are linked together. Harmonious coexistence between our two main cultures is necessary in this country in order to maintain territorial, economic and political unity as well as cultural diversity. The fundamental choice for Canadians today is the same as the choice that had to be made by the French Canadian leaders of 1867: a Canadian federal union, or cultural, economic or even political absorption by the United States. The existence of a nation must sometimes boil down to simple propositions and this is a fundamental one.

The Canadian framework is suitable for French Canadians because they make up at least one in four of the population. Without this Canadian framework, French Canadians may fall under the American framework where they would represent only one in 40 of the population. Separatism for Quebec might well precipitate that which it is eager to avoid, the disappearance of the French culture in North America. In order to retain their respective characteristics, French and English Canadians are destined to remain closely united in this country. This, not separation, is their salvation.

From the beginning of its history, French Canada has maintained a tradition of vast horizons. Men like Champlain, La Salle, Lavérendrye, Radisson, spread French names to the remote corners of North America. Instead of withdrawing within ourselves, we should renew this tradition. We must march forward and face our challenges. Both Quebec and Canada need our participation.

Are we going to leave behind all these natural resources we own with the rest of Canada? Are we foolish enough to give up our share of this country's promising future? Is Canada, the second largest country in the world, so small that we cannot find our place in it?

The answer is obviously no. We need the rest of Canada just as the rest of Canada needs us to continue with the great national task that awaits us. The time when the French culture shows its strength is not the time to deprive Canada of its essential contribution.

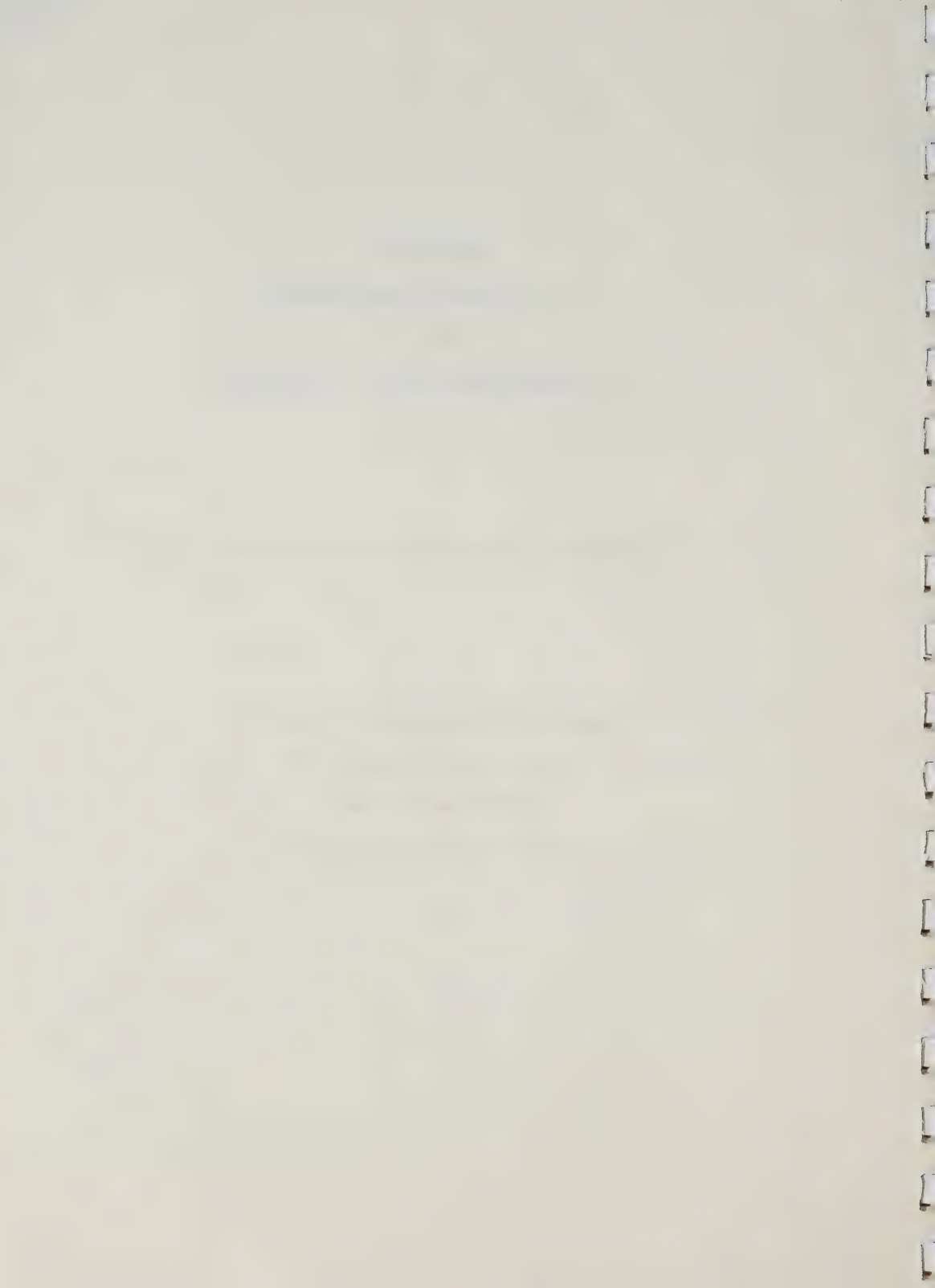
Perhaps, as in the days of the first explorers, we should rediscover this country and its great opportunities for individual and collective advancement.

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NOTES FOR
THE 1978 JOSIAH WOOD LECTURES
BY
THE HONOURABLE ROBERT L. STANFIELD

NATIONALISM: A CANADIAN DILEMMA?

FIRST LECTURE, FEBRUARY 7th, 1978
MOUNT ALLISON UNIVERSITY
CONVOCATION HALL
SACKVILLE, NEW BRUNSWICK



When your President invited me to give the Josiah Wood lectures this year, he told me something about the purpose and history of the lectures, quite correctly judging that I might not be as familiar as one should be with the traditions of Mount Allison, since I had gone to another Maritime university. However, the name Josiah Wood rang a bell somewhere in my belfry. It was not until Dr. Crawford sent me printed copies of some previous Wood lectures that I realized I had read one of those volumes before: the lectures given by Col. Frank Day in 1947. In the late forties, when I was stumbling into politics Col. Day was living in Yarmouth, Nova Scotia. He was not well, but he was a man of tremendous spirit. It made one feel good to be in his presence, and I used to call on him at his home. Although he was a great reader, I found he had never read Thucydides' History of the Peloponnesian Wars, which I regarded as a magnificent book. I took a copy to him to read, and in return he gave me, with much diffidence, a copy of his Josiah Wood lectures. What a treat it must have been to hear Frank Day deliver those lectures. Even in print, the man's spirit and exuberance are apparent in every page.

I cannot promise you a similar treat, as I am no Frank Day. I would like to think, however, that he would have approved of what I am going to say to you, or at least some of it. We are all concerned about our country, which we each love in our own way. Most of us are groping for answers to difficult questions. The Canadians who really worry me are those who believe they have all the answers and who seem to me to see only part of the problem, part of the challenge, part of the country. In establishing these lectures, Josiah Wood emphasized citizenship. It is surely the duty of any good citizen of Canada to try to understand our great and diverse country in all its complexity; to see Canada as it is, rather than through the filter of our prejudices. We all have some.

About a year ago I gave the George Nowlan lectures at Acadia. There I emphasized the divisive forces in our society. I do not wish to take you over the same ground again at Mount Allison--indeed, I wish to begin about where I left off in Wolfville. I recently worked with the CBC in preparing a program on nationalism and in the course of doing so had the benefit of long conversations with four Canadians who have given long thought to the subject: Professor Ramsay Cook, Professor of History at York University in Toronto, Professor Marcel Rioux, sociologist at the University

of Montreal, Claude Ryan, then editor of the Montreal newspaper Le Devoir, and Louis Martin, a distinguished Quebec journalist. Selections from those conversations are appearing currently on a program, but the conversations were much more wideranging than the selections that could be included in such a program.

My examination of Canadian nationalism will not be comprehensive. I will give the impressions of a politician, not the work of a scholar. At a time when we are all worried about the state of our country, it seemed to me useful for us to have at least a look at national feelings in Canada, and draw some tentative conclusions.

Nationalism is a hard term to define. Let us call it simply a feeling for the nation to begin with. The nature of this feeling in Canada will become clearer as we proceed. I wish to examine the need for such a feeling, its strength in Canada and some problems that the form and direction this feeling has taken in Canada creates for us.

Some deplore nationalism. In his book "Canada and the French-Canadian Question", published in 1966, Professor Ramsay Cook says in his introduction "There is no solution to our problems in the conjuring up of a new formula for a Canadian nationalism. That

has always been the recommended policy in the past, a fact which itself suggests that it is ill-conceived. My view is that we have had too much, not too little, nationalism in Canada." I believe this has also been the view of Prime Minister Trudeau.

I would perhaps like to agree, especially at a time when it seems to me that Mr. Trudeau's followers are trying to use national unity for their own political purposes, but I ask myself how we can govern this country, and seek common objectives, without a strong feeling for the country. It is all very well to talk about pragmatism and pragmatic adjustments - I do it myself - but there has to be something more than pragmatism and sweet reasonableness to keep a people together in difficult times and to cause us to put the general interest above our own interests often enough to enable the country to stay on course.

There is in Canada a deep reservoir of national feeling. This feeling is usually below the surface. It is stronger sometimes than others. There are times when it is strong indeed. You can feel it during international hockey competitions. It is only in terms of such a feeling that one can explain the phenomenal change in Mr. Trudeau's fortunes following the victory of the Parti Quebecois in November, 1976. A government which could not please anybody in 1976 and

whose support fell below 30%, according to the Gallup Poll, moved up to more than 50% on the same poll during 1977. No-one on Parliament Hill doubted that this reflected concern about national unity and the belief among Canadians for the time being at least that Mr. Trudeau was best able to meet the threat.

We must have a feeling for our country. Our dilemma is that the nature of this feeling in Canada causes us problems. Our national sentiment may contain undesirable qualities, as I believe it does, but we surely need a strong attachment to our country because of the divisive forces among us. Let us first consider some of these divisive forces. We hear much about regionalism, but in my view we have more serious problems than regionalism. One is a phenomenon we share with other developed societies today. Most Canadians now belong to highly organized and well-financed associations designed to advance their particular interests. These associations may talk about the public interest, but they are serving their particular interests, whether they be an employers' association, a professional association, a trade union or whatnot. A society consisting of highly organized special interest groups is, I suggest, inherently difficult to govern. Stable government requires a national consensus, and such groups have little interest in a national consensus. Each wants its own way, and is organized and prepared to use its weight to get its own way. That makes it difficult to get agreement on national objectives.

The only organizations which have a motivation to work out a consensus which will, for the time being at least, permit stable government, are our national political parties. If a party cannot work out an acceptable consensus it will not be elected; or, if elected, will be defeated. Saying that may suggest to you that we are in dire straits, because you may not have much confidence in political parties. Certainly a shrinking proportion of Canadians belong to a political party. This is part of the problem, because most Canadians give a higher loyalty to their special interest group. Belonging to a political party should be regarded as a duty involved in citizenship, rather than something to be avoided as being somehow beneath us.

I must admit that our national political parties have had great difficulty in playing their national role adequately - achieving a consensus reasonably satisfactory to the whole country. No party today is completely national in the sense that it has adequate representation in all parts of the country. The Liberals have been weak in the West; the Conservatives in Quebec. It is safe to say, however, that they are striving mightily to overcome this weakness. They have the motivation I mentioned, and it is essential to stability and cohesion in our country that at least one political party succeed. I do not believe, however, that we can count simply on the strong motivation of national political parties to achieve

a national consensus. We need a strong feeling for the country and its institutions, a feeling which encourages special interest groups to accept national policies or goals which differ from their special interests.

Regionalism is often named as the number one enemy of national unity. I do not believe it need be a grave threat to the country. In a country as diverse as Canada, it may well be necessary for most Canadians to identify with a region in order to identify with the country.

I do not mean that regional grievances are not to be taken seriously. No Maritimer could believe that. Regional grievances are often valid, at least in part, and if they are ignored they can become explosive. But they are manageable if we take the trouble. Regionalism is not going to be eliminated in Canada. Canada is a country of regions. But Canadian regionalism is manageable because Canadians have become more openminded towards the problems of regions other than their own and will generally accept sensible national policies to meet these problems if they understand them. Many Maritimers and Westerners would dispute that statement, but I think it is true. Attitudes have improved in this respect.

We can all point to instances where we are convinced that our regional interests are being neglected or indeed damaged; and there certainly are such instances, but often now the difficulty is not so much one of motivation as it is of knowing how to tackle the problem. I suggest this is true of the Maritimes today. There is widespread willingness in Canada to help, but also some disillusionment that methods tried to date have not worked well, and great confusion as to what would work. I do not mean to say that regional understanding is perfect. I do say it has improved. I do not say there is no interregional rivalry. Montreal interests would no doubt happily put something over the ports of Halifax and Saint John, but Halifax would happily put something over Saint John, and vice versa.

Admittedly, strong regional feelings in Canada do not make the country easy to govern. They make it harder to work out policies that are acceptable across the country. The problem is aggravated by the fact that newspapers and other media must serve their constituency if they are to hold their readership or audience and consequently few are in a position to present consistently a Canadian as opposed to a regional point of view.

Professor Cook would not agree that national feeling is helpful in coping with regionalism. He expressed the view to me that it would surely be better to deal with the problems bothering

the regions rather than counting on national emotion to induce the regions to live with their problems. But regional problems are deep-seated. With the best will in the world, we are not going to solve them quickly. I suspect that if and when we solve existing regional problems, new problems will arise. We must tackle the problems but we need the glue. I understand the distrust men like Ramsay Cook have of nationalism. My impressions were formed in the 1930's when we saw horrible excesses of nationalism; and I would agree that nationalism has undesirable aspects. We will be examining some of those in these lectures.

The dilemma is that we need the national emotion as glue to hold things together and as an inducement to work together for common objectives; and yet national emotions sometimes lead us in unfortunate directions and national emotions can be used to put down minorities or submerge problems.

I do not believe, however, that nationalism is today causing us to sweep regional problems under the rug. If regional problems are being neglected it is the result, not of nationalism, but of the distribution of voting power in the country which enables Central Canada when it chooses to put its interests ahead of other regions. That is not nationalism. Indeed, to the extent it occurs, it weakens the force of nationalism in the country. I realize there may well have been times in the past when Central Canada tried

and perhaps succeeded in disguising its interests as the national interest, but I believe most Ontarians would now agree with John Roberts' statement that while what is good for Ontario is not necessarily good for Canada, what is good for Canada is good for Ontario. The people of Ontario now seem to see that a strong country with prosperous regions is good for Ontario. This is enlightened self-interest rather than national feeling, but the two reinforce each other and encourage rather than discourage attack on regional problems. This represents a substantial improvement; not perfection, but a substantial improvement.

While I do not agree that nationalism in Canada discourages direct attacks on regional problems, I am concerned about some other aspects of nationalism. How much of our nationalism is based on anti-Americanism or on linguistic and racial prejudices rather than the positive feeling for Canada, of belonging together, which encourages Canadians to attack regional problems?

One element in our nationalism is anti-Americanism. If the element is strong it could restrict our ability to find solutions to our national economic problems and ways of easing our regional economic disadvantages. My worry here will be readily understandable in the Maritimes. Naturally, we in Canada wish to make our own

decisions in Canada and not have those decisions made in Washington and imposed on us, if we can help it. I am not hostile to the basic objectives of The Committee for an Independent Canada. But in the world of today, economies are becoming more and more integrated. You can see this in Europe. The very fact that so much of our trade is foreign trade limits our independence and increases our dependence upon developments outside Canada and especially in the United States. Western Europe has moved strongly towards economic integration since the war. The EEC has made it possible for small countries like Belgium and Holland to remain separate countries and yet have access to a large market and thereby be able to organize their industry on the basis of specialization and volume production.

In Canada, we have seen much of our manufacturing industry become more and more uncompetitive. Some simply blame high wages for this, but there are surely more fundamental problems. With a few exceptions, our market is too small for our manufacturers to get the benefit of volume production and economies of scale. How much would I exaggerate if I said that Canadian industry is efficient and competitive only where it has tariff-free access to the U.S. market, as in the case of newsprint, automobiles? Only where we have a common market with the U.S.? I don't wish to exaggerate, and undoubtedly there are instances where big volume is not essential to efficiency.

But more and more industry involves economies of scale. We must find a way to get access to a large market for a wider range of manufactured products or we will drop more and more out of the mainstream of economic development.

I question whether GATT by itself is a satisfactory answer for us. GATT is important insofar as it reduces world trade barriers, but I do not believe that GATT will give Canadian manufacturing the necessary access to big enough markets. After all, if Britain found the prospects of GATT inadequate and considered entry to the EEC necessary, why should GATT be sufficient for Canada without membership in a larger common market?

Admittedly, economic union or rapprochement with the United States is an awesome undertaking for Canadians to consider; but will the anti-American component in our nationalism prevent us from seeking rational solutions to our problems? We naturally fear being swallowed up and losing all independence. But there are some alternatives we should consider. Is there a possibility of developing a common market in the western hemisphere which would include more than Canada and the United States and in which the dominance of the United States would therefore be reduced? I do not believe this possibility has been seriously explored. If this possibility proved illusory on examination, should we not try to increase the scope of tariff-free trading between Canada and the United States, stopping short of complete free trade and a

complete common market, but extending the scope of our common market and consequently the economic area in which we could have the advantages of large-scale production and therefore hope to be competitive. We might have to do this on a highly selective basis accompanied by a national industrial and investment strategy. We could not just open a market and assume without more that Canadian industry would fill it. We would have to ensure that our industry and not merely U.S. industry benefited.

The difficulties are obvious, but our present prospects under existing arrangements are difficult and I believe we need to examine possible solutions.

I am concerned that a knee-jerk reaction of Canadian nationalism might prevent a frank discussion of our economic difficulties and of the solutions available to us. Economic union with the United States would be dangerous for Canada, but we ought to be prepared to examine the possibilities of seeking a common market larger than Canada and the United States or arrangements with the United States that fall short of a complete common market but which would substantially improve our economic prospects. Neither approach might prove attractive on balance, but we should examine them rationally and with clear eyes.

Such moves could not only open new opportunities for Canadian manufacturing, but they might well reduce regional tensions in Canada. I believe government policies can be made more effective in reducing economic disparity than they have been, but do not we in the Maritimes ultimately run up against the fundamental difficulty of Maritimers in competing for the Canadian market as seen by generation after generation of Maritimers? Central Canadians have an enormous advantage in serving the Canadian market. That makes some regional disparity inevitable as our market is now constituted.

But suppose - just suppose - that we in Canada could become part of a much bigger common market. The western provinces and the Atlantic provinces might well be at a much smaller competitive disadvantage than Central Canada in serving that larger common market. Where would our newsprint industry in the Maritimes be without free access to the U.S.? This larger market would not eliminate regional disparities - European experience has shown that - but it might well reduce them over time. Access to a larger common market seems to offer the only hope of reducing one basic cause of economic disparity in this region today: a definite disadvantage in competing in the Canadian market. Economically we have become almost a colony of central Canada and that condition will continue and indeed deepen as long as the existing shape and pattern of the market freely available to Canadians remains as it is today.

We need the national sentiment, the national glue, and the cohesion that only it can provide. But we must be watchful of side effects - be aware of them. We should be astute enough to ensure that nationalist feeling is not used to frustrate a frank examination of our problems and their solutions.

We need a positive nationalism and not one that is simply anti: anti-U.S. or anti-French or anti-Anglo-Saxon. A nationalism that is anti-American will not hurt the Americans much but it can thwart the development of our own country and its regions.

There is, of course, an even more serious aspect of Canadian nationalism than its anti-American content and the distortions this can produce. We have in fact in Canada an English-speaking nationalism and a French-speaking nationalism and if we cannot reconcile these we will destroy our country.

There is, of course, some ambiguity and confusion about the word nationalism or nation in a discussion between English- and French-speaking Canadians. When an English-speaking Canadian refers

to a nation he is ordinarily referring to a country or the people who occupy a country. When a French-speaking Canadian speaks of a nation he is ordinarily speaking of a people who have a sense of community because they speak the same language and share the same culture. In this latter sense of the word Nation - the sociological sense - the French in Quebec constitute a nation, and those Quebecers who wish to preserve that language and culture feel a corresponding nationalism. To describe a Quebecer as a French-Canadian nationalist is not to suggest that he is a separatist. He may be, but the essential quality of a French-Canadian nationalist is that he believes in the preservation of his language and culture and demands the constitutional power to preserve it.

The nationalism of French-speaking Canadians involves a Canada of two founding peoples - English-speaking and French-speaking. Quebecers speak also of a confederation pact, which is not quite the same thing, as such a pact, if it existed, would involve the provinces rather than the two nations (in the sociological sense) as parties of the pact. But whether or not we regard confederation as a pact or contract, which is certainly not technically correct, confederation did involve understandings and some constitutional guarantees as between French-speaking and English-speaking Canadians.

Until recently at least, the policy, express or implied, in Canada outside Quebec has been to permit if not to encourage the assimilation of French-speaking minorities. I say, express or implied, because often we felt we were just letting nature take its course. English-speaking Canadians have tended to see Canada as an English-speaking country outside of Quebec, where the French were in the majority and were able to protect their language. Francophone Canadians have generally had an unsatisfactory experience with French schools in provinces other than Quebec. In Manitoba, rights which they thought were guaranteed were withdrawn. I do not come to preach to you about New Brunswick. You know your own history and the changes made in the last 20 years or so. In my own province of Nova Scotia, the Acadians have hung on in pockets. There was no conscious effort to my knowledge since 1755 to stamp out French; the English-speaking majority were simply completely indifferent and made little or no provision for instruction in the French language. We all thought of Nova Scotia as an English-speaking province which had a wonderful relationship with these pockets of quaint Acadians.

Generally outside of Quebec and New Brunswick, assimilation of the French is continuing, although Ontario has adopted a much more generous attitude than formerly to schools with French as the language of instruction. It may well be that much assimilation is inevitable: where, for example, the French-speaking are few in numbers, a little island in a sea of English.

To what extent the French-speaking can stop the process of assimilation outside of Quebec and New Brunswick and a part of Ontario remains to be seen, but it is surely understandable that they resent assimilation and will fight mightily to stop it.

The French in Quebec see their history since the conquest as one of a fight to preserve their language and culture. The center of their life was the Church. They long shunned the kind of urban industrialized life favoured by English-speaking North America and sought to preserve a rural agricultural society. They were not only different from English-Canadians in language and outlook; they may well have sought to preserve differences in order to survive. Now many of the old sources of difference have diminished in importance or disappeared. The old antagonisms between Catholics and Protestants are not as fierce as formerly. English-speaking Canadians are no longer prepared to have their foreign policy determined in London and in this sense are just as North American in outlook as the Quebecers have always been. And Quebecers now believe just as much in the advantages of an industrialized and consumer-oriented economy as do English-speaking Canadians.

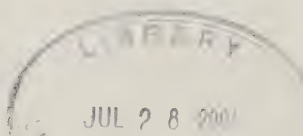
It may seem paradoxical then that, although old sources of differences between English and French-speaking Canadians have been disappearing, French-Canadian nationalism is running strong. I think this is due to several factors. The quiet revolution in Quebec in the 1960's marked a departure from a traditionalist society dominated by the Church and a reawakening of a society that had long been quiescent. This reawakening was accompanied by a cultural flowering and a new sense of pride in Quebec society. There was also an increased sense of insecurity concerning the French language. Quebecers could see the assimilation taking place outside Quebec. They could see that most of the immigrants into Quebec were opting for English rather than French, and the consequent possibility of Montreal becoming a city whose majority spoke English. These fears were accentuated by the decline in the birthrate in Quebec. Large families could no longer offer any hope of defeating the anglicizing influences.

Furthermore, as the Quebec Society became more industrialized, French-speaking and English-speaking Canadians became more competitive. As more Quebecers became educated to compete in an industrial and commercial society, they became acutely aware that most businesses in Quebec were not owned by Quebecers and that most good jobs in Quebec business were held by the English-speaking, although this latter situation has been changing in recent years.

So in Quebec we have had a combination of mounting pride in their language and culture associated with the reawakening or renaissance; a feeling of linguistic insecurity resulting from immigration, the impact of modern communications, and a declining birthrate; and a feeling of injustice resulting from English-speaking control of Quebec industry with English as the language of work, especially at the upper levels.

It is not difficult to understand, therefore, that French-speaking nationalism would increase in Quebec under these conditions. Those of us who are English-speaking can easily imagine that we would react the same way if we were 5 or 6 million English-speaking Canadians living in a sea of 250 million French-speaking North Americans. And, of course, the feelings of French-speaking Canadians outside of Quebec - their French-speaking nationalism - has been influenced and strengthened by these developments in Quebec.

Is this French-speaking nationalism reconcilable with nationalism as felt by English-speaking Canadians? That question and some of its implications we will examine in the next lecture because it touches the nature and indeed the future of our country.



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NOTES FOR AN ADDRESS
BY THE
HONOURABLE JOHN ROBERTS
SECRETARY OF STATE OF CANADA
TO THE
ANNUAL MEETING OF THE CANADIAN CLUB
ROYAL YORK HOTEL
TORONTO, ONTARIO
MONDAY, APRIL 24, 1978



I WANT TO THANK YOU FOR THE INVITATION WHICH YOU HAVE EXTENDED TO ME TO ADDRESS YOU TODAY. I AM USUALLY INVITED TO SPEAK BY CULTURAL GROUPS IN CANADA ON SUBJECTS LIKE FILM, BROADCASTING AND THE ARTS. YOUR INVITATION HAS GIVEN ME A WELCOME OPPORTUNITY TO REFLECT ON A LARGER ISSUE.

IT IS CLEAR TO ALL OF YOU, AS IT IS CLEAR TO ALL CANADIANS, THAT WE FACE TWO MAJOR ISSUES TODAY - THE ECONOMY AND NATIONAL UNITY. THEY DO NOT EXIST IN ISOLATION TO EACH OTHER - THEY ARE LINKED. I DO NOT WISH TO GO INTO GREAT DETAIL CONCERNING CANADA'S ECONOMIC PERFORMANCE, BUT RATHER TO EXPLORE WITH YOU THE RELATIONSHIP, THE LINKAGE BETWEEN CANADA'S ECONOMIC PROBLEMS AND THE QUESTION OF NATIONAL UNITY.

I CANNOT RESIST HOWEVER SAYING A FEW THINGS ABOUT OUR ECONOMIC SITUATION.

AS A MEMBER OF PARLIAMENT AND A MEMBER OF THE CABINET I HAVE BECOME ACCUSTOMED TO LISTENING TO PEOPLE - SOMETIMES EVEN THE BUSINESS COMMUNITY - COMPLAINING ABOUT GOVERNMENT. GIVING PEOPLE SOMETHING TO COMPLAIN ABOUT IS AFTER ALL ONE OF THE REASONS FOR HAVING GOVERNMENT IN THE FIRST PLACE. IT HAS COME AS SOMETHING OF A SURPRISE RECENTLY - A WELCOME ONE - TO FIND PEOPLE SAYING SOME GOOD THINGS ABOUT OUR ECONOMIC PERFORMANCE. FOR INDEED OUR RECORD IS RELATIVELY GOOD - CERTAINLY IT IS NOT A RECORD WHICH CALLS FOR GLOOM AND DOOM.

I KNOW SUCH WORDS FROM A LIBERAL CABINET MINISTER COULD INDUCE A CERTAIN SCEPTICISM FROM THE TWO OR THREE CYNICS AMONG YOU - SO LET ME CITE THE WORDS OF EARL McLAUGHLIN - BANK CHAIRMEN ARE NOT NORMALLY NOTORIOUS ~~FOR THEIR LIBERAL BIAS~~ - SPEAKING TO THE ROYAL BANK'S ANNUAL MEETING IN JANUARY:

" THE MOST CALAMITOUS THING FOR BUSINESS AND CANADA 'WOULD BE TO BE SWEEPED AWAY BY THE WAVES OF PESSIMISM OFTEN DISPLAYED BY TOO MANY'.

"TAKING THE PAST SEVEN YEARS -- 'A PURELY ARBITRARY MEDIUM TERM YARDSTICK SINCE VIRTUALLY ANY OTHER REFERENCE PERIOD WOULD DO,' MR. McLAUGHLIN SAID CANADIANS HAVE OUTPERFORMED THE AMERICANS 'BY ALMOST ANY ECONOMIC YARDSTICK YOU MIGHT PROPOSE'.

"IN THIS PERIOD, REAL PERSONAL INCOMES IN CANADA HAD INCREASED 38 PER CENT, EVEN TAKING INTO ACCOUNT THE WEAKENING CANADIAN DOLLAR, COMPARED WITH A 17 PER CENT U.S. INCREASE. THE CANADIAN STANDARD OF LIVING HAS INCREASED MORE THAN IN THE UNITED STATES.

"IN ANOTHER VITAL INDICATOR," MR. McLAUGHLIN SAID, "TOTAL INVESTMENT SPENDING IN CANADA ROSE BY 168 PER CENT, COMPARED WITH A GROWTH OF ONLY 107 PER CENT IN THE UNITED STATES, 'THE PAST 12 TO 24 MONTHS NOTWITHSTANDING'.

"AND CANADIAN CORPORATE AFTER-TAX PROFITS GREW BY 186 PER CENT, SEVEN PER CENT MORE THAN THE UNITED STATES.

"I QUOTE THESE STATISTICS, NOT TO MINIMIZE THE SERIOUS DISTORTIONS AND PROBLEMS WE FACE IN THE CANADIAN ECONOMY TODAY, BUT TO SUGGEST THAT WE CAN EASILY LOSE SIGHT OF AND LOSE FAITH IN, THE LONGER TERM TREND'.

"WHEN WE STOP TO THINK ABOUT OTHER COUNTRIES, THEIR SHORTAGES, THEIR INFLATION, THEIR SOCIAL PROBLEMS, THE HEAVY HAND OF THE STATE, THE DETERIORATION OF EDUCATIONAL STANDARDS IN THE SCHOOLS, THE URBAN GHETTOES, ARMED SECURITY GUARDS AND BUILDINGS BEHIND BARBED WIRE, WE REALIZE HOW BLESSED IS THIS CANADA.

'WE SHOULD REMEMBER THAT IN OUR CURRENT SOMBRE MOOD'."

LET ME REMIND YOU OF SOME OF THE OTHER THINGS THAT ARE RIGHT ABOUT OUR ECONOMY. IN A RECENT STUDY CONDUCTED BY THE UNION BANK OF SWITZERLAND IT WAS SHOWN THAT CANADIANS PAID OUT THE THIRD LOWEST PERCENTAGE OF AVERAGE ANNUAL EARNINGS IN INCOME TAXES AND SOCIAL SECURITY CONTRIBUTIONS OF 10 MAJOR INDUSTRIALIZED NATIONS. WE ARE NOT OVERTAXED BY COMPARISON WITH OTHER COUNTRIES.

IF EMPLOYERS' SOCIAL SECURITY CONTRIBUTIONS ON BEHALF OF THEIR EMPLOYEES ARE ADDED TO EMPLOYEES'S TAXES AND SOCIAL SECURITY CONTRIBUTIONS, CANADIANS, AS A GROUP, HAD THE LOWEST PROPORTION OF THEIR EARNINGS DEDUCTED FOR INCOME TAXES AND SOCIAL SECURITY CONTRIBUTIONS OF RESIDENTS OF ANY

OF THE 10 INDUSTRIALIZED COUNTRIES SURVEYED.

MOREOVER, IT WAS SHOWN THAT AN UNEMPLOYED CANADIAN COULD EXPECT A LOWER LEVEL OF COMPENSATION THAN THE RESIDENTS OF MOST OTHER COUNTRIES.

AS WELL, LET US REMEMBER THAT, DESPITE OUR UNEMPLOYMENT, OUR JOB CREATION RECORD IS THE BEST IN THE WESTERN WORLD. WE IN CANADA HAVE CREATED NEW JOBS AT A 50% RATE FASTER THAN THE U.S.

OBVIOUSLY AN ECONOMY LIKE CANADA'S, WHICH IS SO DEPENDENT ON MULTINATIONAL TRADE, WILL REFLECT IN ITSELF SOMETHING OF THE PROBLEMS OF OUR TRADING PARTNERS. IT MUST BE EASIER TO DESIGN ECONOMIC POLICY FOR A SELF SUFFICIENT ECONOMY. JUST AS OBVIOUSLY OUR OWN EFFORTS, AS A GOVERNMENT, HAVE HAD AN IMPACT. TO COMBAT INFLATION WE HAVE TIGHTENED THE MONEY SUPPLY FROM A 24% ANNUAL INCREASE IN 1974 TO A 10% INCREASE IN 1977, RESTRAINED GOVERNMENT SPENDING TO LESS THAN THE EXPECTED INCREASE IN THE VALUE OF THE GNP, IMPOSED WAGE RESTRAINT. OUR STRIKE RECORD WHICH WAS ONE OF THE WORST IN 1975 WAS ONE OF THE WORLD'S BEST IN 1977. WE ARE ALSO UNDERTAKING SOME MAJOR STRUCTURAL CHANGES IN THE ECONOMY THROUGH A "SECTOR BY SECTOR" ANALYSIS TO DEVELOP A LONGER TERM STRATEGY TO FIGHT UNEMPLOYMENT. WE HAVE DEVELOPED WAYS OF ENCOURAGING SMALL BUSINESS GROWTH. WE HAVE PROVIDED A RESPONSIBLE STIMULUS TO THE ECONOMY THROUGH SALES TAX CUTS.

WE HAVE TRIED TO DEVELOP A CO-OPERATIVE APPROACH WITH THE PROVINCES TO MANAGE OUR ECONOMY AND TO DEVELOP LONG-TERM MAJOR PROJECTS NECESSARY FOR OUR ECONOMIC WELL-BEING SUCH AS THE ALCAN PIPE LINE.

IN CANADA, THE LEVERS FOR ECONOMIC WELL-BEING ARE NOT CONTROLLED TOTALLY BY THE FEDERAL GOVERNMENT. WE CAN TAKE THE LEAD AND MAP OUT A STRATEGY FOR ECONOMIC WELL-BEING FOR OUR COUNTRY. AND THAT, I BELIEVE, IS WHAT WE HAVE DONE IN THE PAST 2-3 YEARS. THE SUCCESS OF THAT STRATEGY DEPENDS UPON THE COOPERATION OF OTHER LEVELS OF GOVERNMENT, AS WELL AS THE OTHER MAJOR SECTORS OF OUR ECONOMY. THE KEY TO SUCCESS IN THIS AREA DEPENDS UPON RESPONSIBLE, BALANCED ACTIONS BY THE FEDERAL GOVERNMENT SUPPORTED BY THE PROVINCIAL AUTHORITIES AND BUSINESS AND LABOUR, AS WELL AS A RESPONSIBLE ATTITUDE ON THE PART OF THE PUBLIC.

JEAN CHRETIEN'S BUDGET IS AN EXAMPLE OF A RESPONSIBLE APPROACH. HE DID INJECT STIMULATION INTO THE ECONOMY, BUT IN A WAY - THROUGH SALES TAX CUTS - WHICH IS LEAST LIKELY TO BE INFLATIONARY. HE RESISTED THOSE - AND THEY ARE PLENTIFUL ON THE OPPOSITION BENCHES - SEEKING 3 OR 4 BILLIONS OF DOLLARS IN TAX CUTS AT A TIME WHEN THE DOLLAR IS UNDER ATTACK AND INFLATIONARY PRESSURES STRONGLY WITH US.

THE MAJOR PROBLEM WITH THE CANADIAN ECONOMY IS CONFIDENCE. WHAT IT NEEDS IS NOT STARTLING SHOCKS, BUT GOVERNMENT SUPPORT WHICH STRENGTHENS ECONOMIC STABILITY.

ENOUGH SAID ABOUT ECONOMIC PERFORMANCE. LET ME LEAVE THAT SUBJECT FOR ANOTHER SPEECH. MY ESSENTIAL PURPOSE TODAY IS TO RELATE

THE ISSUE OF ECONOMIC POLICY TO NATIONAL UNITY. WHAT CONCERNS ME IS THAT MANY PEOPLE SEEM TO BELIEVE THAT IF WE ONLY SUCCEED WITH OUR ECONOMIC STRATEGY THEN THE FORCES OF SEPARATISM WILL ABATE. MANY PEOPLE SUGGEST THAT NATIONAL UNITY SHOULD TAKE A BACK SEAT TO THE ECONOMIC ISSUES, BECAUSE IF WE SUCCEED WITH THE ECONOMY WE WILL AUTOMATICALLY BE WELL ON THE WAY TO OVERCOMING THE FORCES OF DIVISION IN THE COUNTRY.

UNFORTUNATELY, THAT ARGUMENT, OFTEN REPEATED, IS SIMPLY NOT TRUE. HISTORY SHOWS THAT IN MANY CASES SUCH AS FRANCE BEFORE THE REVOLUTION, THE U.S. IN 1776 - PROSPERITY CAN BE A PRELUDE TO THE VIOLENT PRESENTATION OF GRIEVANCES.

OUR OWN RECENT HISTORY HAS SHOWN THAT PROSPERITY DOES NOT IN ITSELF DAMPEN FIRES OF DISCONTENT. CANADA HAS HAD A PROSPEROUS 2 DECADES SINCE 1960. BUT THAT INCREASING PROSPERITY DID NOT DIMINISH THE PRESSURE FOR SEPARATION WITHIN THE PROVINCE OF QUEBEC. OR TO LOOK TO THE OTHER SIDE OF CANADA PROSPERITY IN ALBERTA HAS NOT LED TO ANY DECREASE IN THE DISSATISFACTION AND THE ALIENATION MANY ALBERTANS FEEL ABOUT THEIR PLACE IN CANADA.

INDEED I WOULD SUGGEST TO YOU THAT THE REVERSE OF THE CONVENTIONAL ARGUMENT IS TRUE. IT IS NOT THAT WE MUST CONCENTRATE ON THE ECONOMY IN ORDER TO SUCCEED IN SOLVING THE PROBLEMS OF NATIONAL UNITY; IT IS RATHER THAT WE MUST COME TO TERMS WITH AND RESOLVE THE QUESTIONS OF NATIONAL UNITY IF WE ARE TO HAVE THE SOLID BASE FOR THE CONTINUED ECONOMIC PROGRESS THAT WE WISH TO HAVE.

TAKE FOR EXAMPLE, THE RECENT DECLINE IN THE VALUE OF THE CANADIAN DOLLAR IN COMPARISON TO THE AMERICAN DOLLAR. I WOULD ARGUE THAT THE UNCERTAINTY ABOUT OUR POLITICAL FUTURE IS THE SINGLE MOST IMPORTANT FACTOR AFFECTING THIS DECLINE. DARCY McKEOGH RECENTLY SUGGESTED THAT 40% OF THIS DECLINE IS DUE TO THE ELECTION OF A SEPARATIST GOVERNMENT IN QUEBEC. CERTAINLY, THE THREAT TO OUR NATIONAL UNITY AND THE ACCOMPANYING UNCERTAINTY ABOUT THE FUTURE EXISTENCE AND MAINTENANCE OF A SECURE CANADIAN MARKET HAVE AFFECTED OUR ECONOMIC PERFORMANCE. TO HAVE A TROUBLED FUTURE IN A TROUBLED WORLD LEADS INVESTORS TO SEEK AND FIND LESS ANXIOUS HAVENS FOR THEIR CAPITAL. AND OBVIOUSLY APPREHENSIONS ABOUT THE SHATTERING OF THE CANADIAN ECONOMY - AND THAT IS WHAT SEPARATION WOULD CAUSE - HAS CONSEQUENCES ABUNDANTLY CLEAR TO FOREIGN INVESTORS, AND CONSEQUENCES WHICH SHOULD BE TRANSPARENTLY CLEAR TO US. CLEARLY UNCERTAINTY OVER CANADA'S FUTURE HAS ALREADY CAUSED A FLOW OF CAPITAL AND PEOPLE OUT OF QUEBEC HOWEVER MUCH ONE DEPLORES THE SITUATION.

THE POINT IS NOT THAT SEPARATION WOULD AFFECT US IN THE FUTURE, BUT THAT EVEN THE REMOTE POSSIBILITY OF SEPARATION IS ALREADY UNDERMINING A QUEBEC ECONOMY WHICH FACES GRAVE PROBLEMS WHICH HAVE NOTHING TO DO WITH SEPARATION. THE PORT OF MONTREAL, ONCE THE GATEWAY TO CANADA, IS INCREASINGLY BY-PASSED AS AN ENTREPOT - PARTIALLY AS A RESULT OF NEW METHODS OF TRANSPORTATION, PARTIALLY AS A CONSEQUENCE OF THE INCREASING NORTH AMERICAN WESTWARD SHIFT OF POPULATION. THE TRADITIONAL MANUFACTURING BASIS OF THE QUEBEC ECONOMY, TEXTILES AND SHOES, ARE IN DECLINE AND SURVIVE PRIMARILY THROUGH THE EXISTENCE OF A PROTECTED MARKET IN CANADA. THE PROSPECT OF SEPARATION AND THE ILL-ADVISED QUEBEC LANGUAGE LEGISLATION HAVE UNDERMINED THE ALREADY DECLINING

STRENGTH OF MONTREAL AS A FINANCIAL, INVESTMENT, MANAGEMENT AND SERVICE CENTRE IN CANADA. BUT HERE IN ONTARIO WE CAN TAKE NO SATISFACTION IN THE DIFFICULTIES OF THE QUEBEC ECONOMY. WE ARE NOT HELPED BY THEM. THE CANADIAN ECONOMY AS A WHOLE IS DAMAGED BY UNCERTAINTY OVER CANADA'S FUTURE - AND CANADA AS A WHOLE WOULD BE DEVASTATED BY QUEBEC'S DEPARTURE.

THERE IS NO ARGUMENT ABOUT WHO WOULD BE THE GAINERS AND WHO THE LOSERS IF SEPARATISM WERE TO SUCCEED. THE ONLY ARGUMENT WOULD BE OVER WHO HAD LOST THE MOST. QUEBEC WOULD LOSE FREE ACCESS FOR ALMOST 1/3 OF ITS MANUFACTURING OUTPUT WHICH NOW FINDS OUTLETS IN CANADA. THE REST OF CANADA WOULD BE LESS AFFECTED. QUEBEC REPRESENTS ONLY 11% OF THE MARKET FOR ONTARIO MANUFACTURING. THE FACT IS THAT ONTARIO SELLS LESS TO QUEBEC THEN TO THE OTHER 8 PROVINCES. THE OTHER PROVINCES SELL EVEN LESS TO QUEBEC.

1/2 OF QUEBEC'S EXPORTS TO OTHER PROVINCES ARE FROM THE "SOFT" INDUSTRIES, INDUSTRIES WHICH BENEFIT MOST FROM THE PROTECTION AFFORDED BY CANADIAN TARIFFS. IN STRICT ECONOMIC TERMS, THE CANADIAN MARKET HELPS AND SUPPORTS THE MANUFACTURING SECTOR OF THE QUEBEC ECONOMY.

A RECOGNITION OF THESE HARD ECONOMIC FACTS, OF COURSE, UNDERLIES MR. LEVESQUE'S ADVOCACY OF THE FORMULA OF "SOVEREIGNTY - ASSOCIATION".

BUT SOVEREIGNTY-ASSOCIATION IS A FLIM FLAM FORMULA. IT IS NOT A POLICY BUT AT BEST A NAIVE HOPE THAT A SEPARATED QUEBEC COULD HAVE ITS CAKE AND EAT IT TOO. OR IT'S LIKE SUGGESTING A DIVORCE WHILE

YOU MAINTAIN A JOINT BANK ACCOUNT.

LIKE DIVORCE THE SEPARATION OF QUEBEC WOULD BE A VERY MESSY BUSINESS. IT WOULD LEAVE BEHIND TRAUMAS WHICH GO TO THE HEART OF THE CANADIAN CHARACTER. IT IS NOT LIKELY THAT ECONOMIC ASSOCIATION WOULD TAKE PLACE - AND THE ECONOMIC INTERESTS OF THE PROVINCES OUTSIDE QUEBEC ARE MUCH MORE LIKELY TO LEAD THEM TO CONCLUDE COMMON MARKET ARRANGEMENTS NOT WITH QUEBEC, BUT WITH THE UNITED STATES.

THE PERSISTENT HOPE - EXPRESSED BY THE SEPARATISTS - THAT SEPARATION WOULD BE FOLLOWED BY ECONOMIC ASSOCIATION IS, AFTER ALL, AN EXPLICIT ADMISSION THAT CANADA AS AN ECONOMY HAS WORKED. THE CANADIAN FEDERAL SYSTEM HAS WORKED - IN OPENING UP AND DEVELOPING THE NORTHERN HALF OF THE NORTH AMERICAN CONTINENT, IN BUILDING A SOCIETY OF OPENNESS, TOLERANCE AND DIVERSITY. NOT LEAST, FEDERALISM IN CANADA HAS GIVEN FRENCH SPEAKING QUEBEC THE CHANCE NOT ONLY TO SURVIVE, BUT TO FLOURISH.

FEDERALISM HAS - THE FEDERALISM OF CANADA - HAS NOT CAUSED THE SOCIAL AND ECONOMIC PROBLEMS OF QUEBEC. IT HAS NOT BEEN A CONSPIRACY TO KEEP QUEBEC AS AN ENSLAVED COLONY FEEDING THE ECONOMIC AND SOCIAL DEVELOPMENT OF OTHER REGIONS OF CANADA. AFTER THE CONQUEST WHEN QUEBECKERS WERE ABANDONED - EXCEPT FOR THE CHURCH - BY THE ESTABLISHMENT WHICH HAD COME FROM FRANCE, QUEBEC CONSISTED OF 55,000 INHABITANTS. AFTER TWO CENTURIES OF LIVING TOGETHER IN CANADA WITH AN ENGLISH SPEAKING POPULATION - AFTER AS SEPARATISTS WOULD ARGUE TWO CENTURIES OF FRUSTRATIONS AND NEGLECT, IF NOT OPPRESSION - LOOK AT PRESENT-DAY QUEBEC. HERE IS ONE PUBLIC FIGURE'S DESCRIPTION;

"...NOW, AT LONG LAST, QUEBEC IS A FULLY DEVELOPED SOCIETY. IT HAS OVER SIX MILLION PEOPLE, 82 PER CENT OF WHOM ARE FRENCH BY DESCENT, LANGUAGE AND CULTURAL HERITAGE. MONTREAL, OUR METROPOLIS, IS THE SECOND LARGEST FRENCH CITY IN THE WORLD. OUR GROSS NATIONAL PRODUCT WOULD MAKE US TWENTY-THIRD AMONG THE NATIONS OF THE WORLD, AND ELEVENTH ON A PER CAPITA BASIS."

SO SPOKE RENE LEVESQUE ON JANUARY 25, 1977 TO THE ECONOMIC CLUB OF NEW YORK. FEDERALISM SEEMS NOT TO HAVE BEEN AS BAD FOR QUEBEC AS SOME WOULD HAVE US BELIEVE. A SMALL POPULATION ROOTED ON THE BANKS OF THE ST. LAWRENCE, POOR, RURAL AND WITHDRAWN INTO ITSELF, HAS SUCCEEDED IN TRANSFORMING ITSELF INTO AN IMPORTANT POPULATION, INTO A DEVELOPED SOCIETY WHICH HAS ATTAINED A HIGH LEVEL OF WELL-BEING.

BUT IF QUEBECKERS HAVE, WITHIN THE CENTRE OF CANADA, BUILT A STRONG SOCIETY WHAT IS THE CAUSE OF PRESENT DISCONTENT? WHY DO A SIGNIFICANT NUMBER OF QUEBECKERS WANT TO LEAVE CANADA?

THE REASON IS SIMPLY THIS. THAT FOR ALL THEIR SUCCESS IN CREATING A DURABLE COMMUNITY IN NORTH AMERICA, FRENCH SPEAKING QUEBECKERS NOW FEEL FACED WITH STRONGER PRESSURES FOR ASSIMILATION TO THE NORTH AMERICAN ANGLOPHONE SOCIETY THAN HAS EVER BEEN THE CASE IN THE PAST.

VARIOUS FACTORS ACCOUNT FOR THIS SENSE OF INSECURITY. THE ADVENT OF MODERN TECHNOLOGY AND DEVELOPMENT OF AN INTEGRATED NORTH AMERICAN COMMUNICATION AND TRANSPORTATION SYSTEM HAVE THREATENED THE

INTEGRITY OF THE FRENCH LANGUAGE AND CULTURE. URBANIZATION HAS FURTHER ERODED THE SOLIDARITY OF THE FRENCH-CANADIAN IDENTITY. FUNDAMENTALLY, THE QUIET REVOLUTION HAS "OPENED" UP QUEBEC TO A SET OF FORCES, IT HAS PROVIDED AN OPPORTUNITY FOR QUEBEC TO DEVELOP ECONOMICALLY, SOCIALLY AND MATERIALLY. BUT IS HAS "PLUGGED IN" QUEBEC MORE STRONGLY THAN EVER BEFORE TO THE ECONOMIC AND COMMUNICATIONS FORCES OF NORTH AMERICA. IN ENDING ITS ISOLATION - A NATURAL AND ADVANTAGEOUS STEP - QUEBEC RISKS LOSING THE LANGUAGE AND CULTURE WHICH ARE ITS PERSONAL HERITAGE.

ONE OF THE REAL CHALLENGES TO CANADA IS TO FIND A WAY OF GIVING AN ASSURANCE TO FRENCH-SPEAKING CANADIANS OF THE FUTURE OF THEIR LANGUAGE AND ITS CULTURE. THAT IS AT THE HEART OF THEIR CONCERNS OVER THE FUTURE. IT IS THE ROOT OF THE UNCERTAINTY OVER THE FUTURE OF OUR COUNTRY. IT IS THE FUEL WHICH FEEDS SEPARATISM IN QUEBEC.

ONE RESPONSE, ON THE PART OF SOME CANADIANS, IS TO ARGUE FOR FURTHER DECENTRALIZATION IN CANADA - FOR THE TRANSFER OF FEDERAL POWERS TO THE PROVINCES - AS AN ATTEMPT TO RESPOND TO REGIONAL DISCONTENTS INCLUDING THOSE EXPRESSED BY SOME QUEBECKERS. WELL I AM IN FAVOUR OF CONSTITUTIONAL CHANGES - OUR PRESENT GOVERNMENTAL ARRANGEMENTS CAN BE IMPROVED UPON - BUT I DO NOT BELIEVE THAT FURTHER DELEGATION OF JURISDICTION TO THE PROVINCES IS LIKELY TO RESPOND TO THE PROBLEMS. UNDOUBTEDLY THERE COULD BE A USEFUL CLARIFICATION OF JURISDICTION - PERHAPS THERE ARE EVEN PROVINCIAL POWERS WHICH WOULD BE MORE APPROPRIATE TO EXERCISE AT THE NATIONAL LEVEL. BUT RE-ALLOCATION OF POWER TO THE PROVINCES IS NOT A MAGIC WAND. OVER THE PAST TEN YEARS THE PROVINCES

HAVE GAINED CONSIDERABLY IN POWER - THEIR COLLECTIVE BUDGETS, THE USE OF THEIR BORROWING POWER, THEIR APPROACH TO THE OWNERSHIP OF RESOURCES, FOR EXAMPLE, HAVE A TREMENDOUS IMPACT ON ECONOMIC AFFAIRS. FORCES OF SEPARATISM IN CANADA HAVE NOT BEEN THEREBY WEAKENED.

WE ALREADY LIVE IN THE MOST DECENTRALIZED FEDERAL SYSTEM IN THE WORLD. WE RISK, IF WE FOLLOW THE DIRECTION OF DELEGATION BLINDLY, UNDERMINING THE CAPACITY OF THE FEDERAL GOVERNMENT TO PERFORM ITS ESSENTIAL TASKS. WE MUST MAINTAIN A VIABLE FEDERAL AUTHORITY IN ORDER TO PROVIDE A NATIONAL DIRECTION AND A NATIONAL CAPACITY TO ADDRESS AND SOLVE THE PROBLEMS OF MANAGING OUR ECONOMY. WITHOUT THIS CAPACITY WE WILL NOT BE ABLE TO DEVELOP THE ECONOMIC POLICIES, THE COHERENT INDUSTRIAL STRATEGIES WE NEED. IN OTHER SECTORS OF OUR ECONOMY, SUCH AS ENERGY, WE CAN NOW RECOGNIZE THE NEED FOR A COHERENT NATIONAL STRATEGY. AND, I SHOULD NOTE, THAT SOME OF US, LIKE MYSELF, WOULD LIKE TO SEE A MORE COHERENT NATIONAL STRATEGY DEVELOPING IN OUR EDUCATIONAL SYSTEMS SO THAT, AS A NATION, WE CAN PLAN AND ADDRESS OUR NATIONAL MANPOWER REQUIREMENTS, AND COME TO KNOW OURSELVES BETTER THAN WE DO NOW.

IF WE ARE TO RESIST THE FORCES OF ASSIMILATION AND INTEGRATION INTO THE NORTH AMERICAN CONTINENT, IF CANADA IS TO RETAIN ITS OWN IDENTITY IN THE FACE OF NATURAL AMERICAN INFLUENCE, THEN ALL CANADIANS, INCLUDING QUEBECKERS HAVE AN INTEREST IN PRESERVING A STRONG FEDERAL GOVERNMENT WHICH HAS THE CAPACITY TO PROTECT THAT IDENTITY. TO SAP FEDERAL ECONOMIC POWER WOULD NOT LEAD TO A STRENGTHENING OF REGIONAL IDENTITIES, BUT RATHER A WEAKENING OF OUR CAPACITY TO WITHSTAND THE PRESSURES FOR

INTERGRATION INTO THE NORTH AMERICAN MARKET. THE ORIGIN OF CANADA - ITS CREATION IN 1867 - WAS A RESPONSE TO THE NEED OF THE BRITISH COLONIES TO ESTABLISH A COMMON MARKET AS A COUNTERBALANCE TO UNITED STATES EXPANSION. THE THREAD OF CANADA'S HISTORY SHOWS A RESISTANCE TO THE FORCE OF "MANIFEST DESTINY". THE PRESSURES FOR ASSIMILATION ARE STILL THERE - NOT OUT OF ANY MALEVOLENCE OR EVIL DESIGN BY THE UNITED STATES OF COURSE - BUT AS A CONSEQUENCE OF THE NATURAL ECONOMIC FORCES ON THE CONTINENT. TEN SEPARATE PROVINCIAL ECONOMIES, OR FIVE REGIONAL ONES, OR EVEN SHATTERED INTO TWO ECONOMIES - THEY WOULD BE IN A SITUATION OF SUCH DISPROPORTION THAT THEY WOULD BECOME MERE APPENDAGES TO THE ECONOMY OF THE UNITED STATES AND OUR NATIONAL RESOURCES WOULD BE LESS LIKELY TO BE EXPLOITED WITH CANADIAN INTERESTS FIRST IN MIND.

IT IS NOT IN RE-ARRANGING OUR GOVERNMENTAL POWERS THAT WE WILL RESOLVE THE INSECURITIES IN QUEBEC. IT IS RATHER IN CONVINCING QUEBECKERS THAT THEIR INTERESTS - THE SURVIVAL OF THEIR LANGUAGE AND CULTURE - WILL BE BETTER PROTECTED INSIDE CANADA AND NOT OUTSIDE IT. WE MUST MAKE THE CASE THAT THE SURVIVAL OF CANADA IS A BETTER WAY TO MEET THEIR NEEDS, AND TO PROVIDE THEM WITH ECONOMIC OPPORTUNITY THAN A SMALL INDEPENDENT ISLAND FRENCH-SPEAKING QUEBEC SURROUNDED BY A 225 MILLION PEOPLE ENGLISH-SPEAKING SEA.

WE ARE WINNING THAT BATTLE IN QUEBEC - THE BATTLE FOR CANADA WITHIN QUEBEC. WE HAVE SEEN INCREASING DISSATISFACTION WITH THE PARTI QUEBECOIS GOVERNMENT, ELECTED ON A MANDATE FOR GOOD GOVERNMENT RATHER THAN SEPARATION, WHICH HAS MADE THE PURSUIT OF SEPARATION - IN

ITS LANGUAGE LEGISLATION AND ITS REFERENDUM LEGISLATION - ITS FIRST PRIORITY. WE HAVE SEEN THE OPPOSITION TO SEPARATISM FROM ALL PARTIES - LESAGE, CASTONGUAY, SAUVE, MASSE - COME TOGETHER IN A COALITION AGAINST THE REFERENDUM. WE HAVE SEEN THE REVIVAL OF THE LIBERAL PARTY WHICH NOW LEADS THE PARTI QUEBECOIS IN THE POLLS. WE ARE WINNING THE BATTLE FOR CANADA WITHIN QUEBEC.

WHEN I SAY "WE" ARE WINNING THE BATTLE I MEAN THAT IT IS THE FEDERALIST FRENCH-SPEAKING QUEBECKERS WHO ARE WINNING THAT BATTLE. AND THEY NEED OUR HELP - NOT IN PROMISING MORE POWERS TO THE PROVINCIAL GOVERNMENTS - BUT IN SHOWING THAT WE UNDERSTAND THE NEED FOR GIVING TO THE FRENCH LANGUAGE IN CANADA AS EQUAL DIGNITY AND STATUS AS WE DO TO OUR OTHER OFFICIAL LANGUAGE.

IF WE ARE TO MAKE THE CASE HONESTLY THAT A QUEBEC IN CANADA IS MORE LIKELY TO PROTECT THE LANGUAGE RIGHTS OF FRENCH-SPEAKING CANADIANS THAN A QUEBEC OUTSIDE CANADA, IT CAN ONLY BE DONE IF WE AGREE THAT THEIR RIGHTS TO LANGUAGE ARE PROTECTED WITHIN A STATE OF 23 MILLION PEOPLE - IN CANADA AS A WHOLE NOT JUST IN ONE PART OF IT. OTHERWISE, FRENCH-SPEAKING QUEBECKERS WILL LOOK INWARD RELYING ONLY ON THEIR OWN SOCIETY.

THAT IS WHAT OUR OFFICIAL LANGUAGES POLICY IS ALL ABOUT. THAT IS WHAT UNDERLIES OUR PUBLICATION OF "A NATIONAL UNDERSTANDING". IT IS THAT WHICH UNDERLIES OUR APPEAL TO THE PROVINCES TO ACCEPT THE PRINCIPLES OF OUR OFFICIAL LANGUAGES POLICY IN THEIR OWN JURISDICTION.

A LOT OF NONSENSE HAS BEEN SAID ABOUT THE ALLEGED FAILURE OF OFFICIAL LANGUAGES POLICY. IF YOU LOOK AT THE PARLIAMENTARY COMMISSIONER'S REPORTS YOU WILL SEE THAT ON THE WHOLE THE PROGRAM HAS BEEN DESCRIBED AS SUCCESSFUL. KEITH SPICER SAID 80% OF OUR EFFORTS WERE SUCCESSFUL. SOME OF OUR EFFORTS FELL SHORT OF EXPECTATIONS. WE ARE NOW SHIFTING THE EMPHASIS OF OUR PROGRAMS AWAY FROM THE TEACHING OF CIVIL SERVANTS TO TEACHING YOUNG PEOPLE BOTH OUR OFFICIAL LANGUAGES. BUT ON THE WHOLE THE PROGRAM HAS WORKED.

ACCEPTANCE OF OFFICIAL LANGUAGES IS NOT A QUESTION OF EMPTY SYMBOLISM. IT IS GOING TO BE DIFFICULT TO ASSURE FRENCH-SPEAKING CANADIANS THAT THE REST OF US CARE ABOUT THEIR LANGUAGE AND CULTURE WHEN UNIVERSITIES HERE DROP FRENCH AS AN ENTRANCE OR GRADUATION REQUIREMENT. IT IS NOT GOING TO BE EASY TO CONVINCE THEM WHEN THE PROVINCIAL GOVERNMENT PERSISTS IN SAYING IT HAS NOT THE SLIGHTEST INTENTION OF MOVING TO THE ACCEPTANCE OF TWO OFFICIAL LANGUAGES.

IT DOES NOT HELP TO HEAR SOME PROVINCIAL POLITICIANS DECLARING THEIR UNWILLINGNESS TO FIND A NEW NATIONAL UNDERSTANDING OR TO RECOGNISE THE NEED TO ENSHRINE LANGUAGE RIGHTS. IT DOES NOT HELP TO HEAR THE OFFICIAL OPPOSITION IN OTTAWA ARGUING THAT OFFICIAL LANGUAGES ARE A SOURCE OF DIVISION AND WEAKNESS IN OUR COUNTRY. LET ME QUOTE FOR YOU A STATEMENT FROM THE GLOBE AND MAIL OF MARCH 6, 1978, COMMENTING ON MR. DAVIS' AND MR. MCMURTRY'S CRITICISMS OF THE FEDERAL OFFICIAL LANGUAGES PROGRAM;

"NOW LET'S CONCEDE THAT THE FEDS CAN BE PATRONIZING AND POMPOUS WITH THE BEST OF THEM. BUT LET'S TAKE A SMALL RUN AT THAT ASSERTION ABOUT THEIR OFFICIAL LANGUAGES PROGRAM.

IT'S ONE THAT IS GETTING A HEAVY WORKOUT BY VARIOUS MEMBERS OF (THE) TORY GOVERNMENT, INCLUDING WILLIAM DAVIS. THEY ASSERT (A) THAT OTTAWA'S PROGRAM HAS BEEN A FAILURE AND (B) THAT IT HAS PROVOKED (TO QUOTE MR. McMURTRY) "MISUNDERSTANDING, MISTRUST AND DIVISION ACROSS THE NATION".

THEY DON'T BOTHER TO BACK UP THESE ASSERTIONS, OF COURSE. THEY SIMPLY MAKE THEM AS STATEMENTS OF FACT. INDEED, THEY DO WHAT McMURTRY DID: DROP THEM IN AS ASIDES, GIVEN OF THE CANADIAN SITUATION, DECLARATIONS NO REASONABLE MAN WOULD DISPUTE. THE PERNICIOUS THING IS THAT THE LONGER THIS GOES ON, THE CLOSER PEOPLE COME TO ACCEPTING THIS VERSION AS TRUTH - OR, WORSE, THE WHOLE TRUTH."

"OTTAWA WAS AN ENGLISH ESTABLISHMENT IN THE FIRST PART OF THAT DECADE, ONE WHERE FRANCOPHONES WERE SCANDALOUSLY UNDER-REPRESENTED IN NUMBERS AND GIVEN LITTLE OPPORTUNITY TO USE THEIR LANGUAGE (THE LANGUAGE, REMEMBER, OF 30 PER CENT OF ALL CANADIANS). ONCE THE QUIET REVOLUTION BEGAN IN QUEBEC, THAT SITUATION BECAME INSUPPORTABLE.

LESTER PEARSON RECOGNIZED THIS, AND PIERRE TRUDEAU BUILT UPON HIS BEGINNING. THE NATURE OF OTTAWA - ITS POLITICS AND ITS BUREAUCRACY - CHANGED TO ACCOMMODATE THE NEW REALITY. IT WAS THIS WHICH BROUGHT MUCH GOOD FRENCH-SPEAKING TALENT TO THE SERVICE OF THE FEDERAL GOVERNMENT

- AND CANADA - INSTEAD OF TO THE EMOTIONAL HEADQUARTERS OF FRANCOPHONIA ON THE GRANDE ALLEE IN QUEBEC CITY.

WITHOUT THIS FRENCH PRESENCE IN OTTAWA, WE'D BE A COUPLE OF STEPS CLOSER TO THE BREAK THAN WE ARE TODAY. FOR IT IS A FUNDAMENTAL THEME OF RENE LEVESQUE AND HIS SEPARATISTS THAT OTTAWA HAS ABSOLUTELY NO RIGHT TO SPEAK IN ANY WAY FOR QUEBECOIS.

THAT'S A HARD PROPOSITION TO SELL WHEN IT CAN BE DISPUTED BY SUCH AS JEAN CHRETIEN AND HIS EQUIVALENTS IN THE CIVIL SERVICE, FEDERAL AGENCIES, CROWN CORPORATIONS AND ARMED FORCES. WITHOUT THEM, IT WOULD BE EASY."

THE CHANGE IN OTTAWA, THE CHANGE IN SERVICE TO THE PUBLIC, THE INCREASED ACCESS TO EDUCATIONAL AND CULTURAL SERVICES IN BOTH OFFICIAL LANGUAGES HAS BEEN EXTRAORDINARY. IN SUBSTANCE THE PROGRAM HAS BEEN A SUCCESS; THE MAJOR QUESTION NOW IS ACCEPTANCE - WHETHER CANADIANS ACROSS THE COUNTRY WILL ACCEPT IT FOR WHAT IT IS - NOT AS AN IMPOSITION BUT AS A BASIC PROTECTION OF FUNDAMENTAL INDIVIDUAL RIGHTS.

NATIONAL UNITY IS NOT JUST A QUESTION OF LANGUAGE RIGHTS - IT'S ALSO A MATTER OF MAKING REGIONAL VOICES HEARD EFFECTIVELY IN THE NATIONAL GOVERNMENT. AND IT'S A QUESTION OF ENSURING THAT THE ECONOMIC BENEFITS OF THE CANADIAN UNION ARE SHARED THROUGHOUT THE COUNTRY.

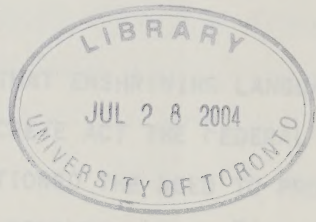
BUT THE ISSUE OF LANGUAGE RIGHTS IS FUNDAMENTAL TO NATIONAL UNITY. I BELIEVE THAT THOSE RIGHTS - ALONG WITH THE OTHER FUNDAMENTAL INDIVIDUAL FREEDOMS - SHOULD BE ENTRENCHED IN OUR CONSTITUTION - ENTRENCHED AGAINST THE INTERFERENCE OF FEDERAL AND PROVINCIAL GOVERNMENTS ALIKE.

I HAVE SUGGESTED THAT ENSHRINING LANGUAGE RIGHTS WITHIN A NEW CONSTITUTION IS ONE CONCRETE ACT THE FEDERAL GOVERNMENT SHOULD NOW UNDERTAKE. I HAVE ALSO MENTIONED THE NEED TO PROVIDE FOR GREATER REGIONAL REPRESENTATION AND SENSITIVITY IN FEDERAL INSTITUTIONS. AND WE MUST DEVELOP ONGOING MECHANISMS OF FEDERAL - PROVINCIAL COOPERATION. MOST OF ALL, IF WE ARE TO ENSURE THE UNITY OF OUR COUNTRY WE MUST - ALL OF US - SEEK THE VALUES OF TOLERANCE, COMPASSION AND JUSTICE FOR ALL INDIVIDUALS AND ALL GROUPS AND CULTURES IN CANADA. THIS IS AN OBLIGATION WHICH FALLS ON GOVERNMENTS FEDERAL AND PROVINCIAL AND ON ALL INDIVIDUALS.

I THINK THE FEDERAL GOVERNMENT HAS SHOWN THE LEAD IN THIS AREA. I THINK THE PROVINCES MUST NOW FIND THEIR OWN CONCRETE, PRACTICAL WAYS TO ENSURE THIS LINGUISTIC AND CULTURAL JUSTICE TO WHICH I HAVE ALLUDED. THE ACHIEVEMENT OF THIS WILL NOT BE THE RESULT OF GREATER PROVINCIAL POWERS, BUT OF GREATER SENSITIVITY ON THE PART OF THE PROVINCIAL GOVERNMENTS TO THEIR BURDEN IN OUR SEARCH FOR NATIONAL UNITY.

OUR PROBLEMS OF NATIONAL UNITY CANNOT BE RELEGATED TO THE BACK SHELF. THEY WILL NOT DISAPPEAR IF WE NEGLECT THEM. THEY CANNOT TAKE SECOND PLACE TO THE PROBLEMS OF THE ECONOMY FOR, INDEED, IF WE DO NOT RESOLVE THE PROBLEMS OF UNITY THERE IS NOT LIKELY TO BE A CANADIAN ECONOMY TO WORRY ABOUT. WE MUST DEVOTE OUR ATTENTION TO THESE TWO LINKED AREAS OF CONCERN EQUALLY. THAT IS UNDOUBTEDLY THE FUNDAMENTAL CONCERN FOR THE COUNTRY - IT IS THE CONCERN UPON WHICH THE COUNTRY MUST SOON PRONOUNCE. SUCCESS IN RESPONDING, TO IT WILL BE THE TEST BY WHICH FUTURE GOVERNMENTS ARE JUDGED.

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I HAVE SUBMITTED TO THE CHIEF JUSTICE OF THE SUPREME COURT A
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